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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:

Republic Plebiscite: Head of State

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

This petition of certain citizens of Australia draws to the attention of the Senate the growing desire for Australia to become a republic.

Your petitioners therefore request that the Senate conduct a plebiscite asking the Australian people if Australia should become a republic with an Australian citizen as Head of State in place of the Queen.

by Senator Reid (from nine 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 Jacinta Collins (from 250 citizens)

Petitions received.

NOTICES

Presentation

Senator Stott Despoja to move, on the next day of sitting:

That the Senate—

(a) notes that:

(i) the European Parliament has overwhelmingly supported the passage of a directive that it believes will result in the world’s toughest laws governing genetically-modified (GM) organisms,

(ii) this directive means crops will be subject to strict assessment and monitoring and any pharmaceuticals, food, seed or animal feed containing GM products will have to be labelled,

(iii) this directive overturns the 2-year defacto ban on GM products, but firms will only be granted licences if they provide a risk assessment and carry out continuous monitoring of any possible dangers, and

(iv) this directive will also establish a public registry, which will allow consumers to trace products;

(b) acknowledges that GM products may have benefits but may also have significant unintended consequences; and

(c) re-affirms its commitment to a strong government role in ensuring a strict regulatory environment and monitoring compliance to ensure minimal environmental and public health risk.

Senator Stott Despoja to move, on the next day of sitting:

That the Senate—

(a) notes that:

(i) 2 March 2001 is ‘Go Casual for a Cause Day’, and

(ii) people may choose to ‘Go Casual for a Cause’ by wearing jeans, pyjamas, a moth-balled relic from the past, or an ‘I Would if I Could’ badge for those who can not bring themselves to dress casually; and

(b) commends the Spastic Centres of Australia in their bid to make Australians ‘Go Casual for a Cause’ on 2 March 2001, in support of therapy, research, education and services for people with cerebral palsy.

Senator Stott Despoja to move, on the next day of sitting:

That the Senate—

(a) notes moves to demolish South Australia’s oldest croquet club, the Glenelg Croquet Club, to build a car park as part of the Glenelg Oval master plan; and

(b) calls on the Holdfast Bay Council to recognise the community support for this
vital community asset and allow the Glenelg Croquet Club to continue to exist in its current location.

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

That the Senate—

(a) notes:

(i) a study commissioned by the Hunter Taskforce, which claims that Hunter Valley workers are $520 a month behind the New South Wales average income and the area’s real unemployment rate is around 3 per cent greater than figures produced by the Australian Bureau of Statistics (ABS), and

(ii) that if you use either the ABS model or the Hunter Taskforce model to determine unemployment rates, unemployment would still be lower today in the Hunter under a Howard Government than it was under a Labor Government, under which in 1995 it reached a peak of around 15 per cent;

(b) criticises the figures produced for the Hunter Taskforce, which are potentially biased and do not recognise the benefits that a stable economy has had in the region, including, low interest rates, low mortgage payments, low inflation rates and historically low unemployment rates; and

(c) calls on the Hunter Taskforce to start acting on community ideas that create jobs for the region, which would have more benefit to the Hunter Valley than conducting misleading and dishonest surveys.

Senator COONAN (New South Wales)

(9.31 a.m.)—On behalf of the Standing Committee on Regulations and Ordinances, I give notice that, 15 sitting days after today, I shall move that the Nuclear Non-Proliferation (Safeguards) Amendment Regulations 2000 (No. 3) Statutory Rules 2000 No. 305 be disallowed. I seek leave to incorporate in Hansard a short summary of the committee’s concerns with these regulations.

Leave granted.

The summary read as follows—

Nuclear Non-Proliferation (Safeguards) Amendment Regulations 2000 (No. 3)

Statutory Rules 2000 No. 305

The Regulations specify the amount of charge payable by a producer of uranium ore concentrates.

The amendments reduce the amount of charge that is payable on 1 December 2000 by producers of uranium ore concentrates from 8.6456 cents per kilogram to 6.7463 cents per kilogram. The Explanatory Statement indicates that the amount of charge takes into account “the level of production for 1999/2000 relative to the Australian Safeguards and Nonproliferation Office’s operating costs”. However, no explanation is given for the decrease in the charge.

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

(1) That there be laid on the table by the Minister representing the Treasurer (Senator Kemp), no later than immediately after motions to take note of answers to questions without notice on 7 March 2001, the following documents:

(a) the Segment Accountability reports for the 2 years up to, and including, 30 June 2000, provided to the Deputy Commissioner of the Large Business and International (LB&I) business line biannually or at any other time from the following LB&I divisions:

(i) Media and Communication,

(ii) Banking and Finance,

(iii) Insurance and Superannuation,

(iv) High Wealth Individuals,

(v) Capital Gains Tax,

(vi) International, and

(vii) Strategic Intelligence Analysis;

(b) the governance reports provided by the Deputy Commissioner of LB&I to the Commissioner and/or second Commissioners for the 2 years up to, and including, 30 June 2000;

(c) a copy of the report in regards to the transfer pricing project known as the 207 project and supporting documents pertaining to the 207 project strategy;

(d) all agenda documents, supporting documents and minutes of meetings in regards to the Aggressive Tax Planning Steering Committee, chaired

(2) That, in complying with this order, the Minister may cause the following kinds of information to be deleted from the documents:

(a) the names of individual taxpayers; and

(b) information which would directly and specifically harm the strategic pursuit of tax avoidance, provided that the withholding of such information does not prevent the Senate from gaining a clear understanding of the information contained in the reports, minutes, documents and supporting documents referred to in paragraph (1).

**Senator Brown** to move, on the next day of sitting:

That the Senate—

(a) notes the resolution of the European Parliament on freedom of religion in the People’s Republic of China that calls for the European Union and its member states to submit a resolution to the United Nations Commission on Human Rights, at its meeting in Geneva, to condemn all violations of religious rights and, in particular, those directed against Tibetan and Mongolian monks, certain Christian churches and certain Muslim communities, and adherents of the Falun Gong movement; and

(b) calls on the Australian Government to seek China’s ratification and implementation of the International Covenant on Economic, Social and Cultural Rights.

**Senator ALLISON (Victoria)** (9.33 a.m.)—I give notice that, on the next day of sitting, I shall move:

That the Senate—

(a) notes that:

(i) Mirvac, one of Australia’s largest residential property developers, is developing an 18-acre site on the old CSR sugar refinery site at New Farm in Brisbane,

(ii) included in the site is a tiny 1/2 acre park which is to be developed into 13 townhouses, and

(iii) a group of residents is conducting a public awareness and consumer campaign; and

(b) calls on Mirvac to protect the park for wildlife and residents.

I seek leave to incorporate an information statement in *Hansard*.

Leave granted.

*The statement read as follows*—

Sebel people can help Save Mirvac Park

Mirvac, who manage Sebel and Quay West are also one of Australia’s largest residential developers. At present they are developing an 18 acre site in New Farm on Brisbane’s city fringe where the former CSR Sugar Refinery was. Their development of 330 residences includes putting 13 townhouses on a community park. This tiny half an acre park has been available to New Farm locals and wildlife for 100 years and we would like it to be available for the next 100.

We have begged Mirvac to redraw their plans to accommodate those townhouses elsewhere on their very large site, but they refuse to do so. So now local residents are trying to pressure them by running a public awareness campaign.

This time you chose to stay at Sebel, next time you are seeking accommodation in Brisbane, perhaps you could consider other options (such as Stamford Plaza (1300 301 391), the Sheraton (3835 3535), Marriot (1800 809 090), Hilton (3234 2000) or Novotel (3308 3374)).

Many thanks for your time.

**Senator Crossin** to move, on the next day of sitting:

That the time for the presentation of the report of the Joint Standing Committee on the National Capital and External Territories on the sale of the Christmas Island resort be extended to 18 June 2001.

**Senator Brown** to move, on the next day of sitting:

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. 6—Communications and the Arts Legislation Amendment (Application of Criminal Code) Bill 2000,
No. 7—Law and Justice Legislation Amendment (Application of Criminal Code) Bill 2000 [2001], and
No. 8—Aboriginal and Torres Strait Islander Commission Amendment Bill 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. 827 standing in the name of Senator Brown for today, relating to the centenary sittings of the Senate in Melbourne, postponed till 5 March 2001.

General business notice of motion no. 786 standing in the names of Senators Bourne and Allison for today, relating to nuclear weapons, postponed till 6 March 2001.

AUSTRALIAN NATIONAL UNIVERSITY: NOEL BUTLIN ARCHIVES

Motion (by Senator Carr) agreed to:

That the Senate congratulates the Vice-Chancellor of the Australian National University (ANU), Professor Ian Chubb, for restoring funding of $100 000 per annum to the Noel Butlin Archives at the university, and in so doing:
(a) recognising the Noel Butlin Archives as Australia’s most important repository of business and labour records;
(b) honouring the obligations into which the university has entered by maintaining, for public use, this remarkable collection of the history of hundreds of businesses, unions and significant Australians, which constitutes Australia’s most important source for the history of enterprise and working life;
(c) acknowledging the critical position such archival resources occupy in Australian research programs; and
(d) ensuring that, in respect to the Noel Butlin Archives, the ANU is implementing its unique statutory charter, one characterised by its national role in teaching, post-graduate study and research.

LAKE EYRE BASIN INTERGOVERNMENTAL AGREEMENT BILL 2001

First Reading

Motion (by Senator Ian Campbell) agreed to:

That the following bill be introduced: a Bill for an Act to approve the Lake Eyre Basin Intergovernmental Agreement, and for related 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) (9.38 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—

The Lake Eyre Basin includes areas of outstanding natural and cultural value, and makes a vital contribution to the economies of South Australia, Queensland and the nation as a whole.

Many of these economic, social, environmental and heritage values depend on the naturally variable flows associated with the major cross-border river systems within the Basin. Given the largely arid and semi-arid nature of much of the Basin,
the Agreement initially applies to the two major October last year. Queensland and South Australian counterparts in Agreement being signed by myself and my in the Lake Eyre Basin Intergovernmental tunity consultation and detailed negotiations be-There followed an extended process of commu-ment of the Lake Eyre Basin.}

In recognition of the need to better manage these cross border river systems to protect downstream aquatic and other ecosystems, I joined my Queensland and South Australian counterparts in signing the Lake Eyre Basin Heads of Agreement in May 1997. The Heads of Agreement was important in that it provided, for the first time, an agreed framework for governments and communities to work towards the sustainable management of the cross-border river systems and related environmental values. Importantly, the Heads of Agreement also provided for the development of a formal, inter-governmental Agreement between the Commonwealth, Queensland and South Australia for the integrated management of the Lake Eyre Basin.

There followed an extended process of community consultation and detailed negotiations between the three Governments, which culminated in the Lake Eyre Basin Intergovernmental Agreement being signed by myself and my Queensland and South Australian counterparts in October last year.

The Agreement initially applies to the two major catchments within the Basin—the Cooper Creek and Georgina-Diamantina catchments—however, it also provides for New South Wales and the Northern Territory to become involved at a later stage should they wish to do so.

This Bill recognises and approves the Lake Eyre Basin Agreement between the Commonwealth, Queensland and South Australian Governments. Primary responsibility for implementing the Agreement and associated policies and strategies rests with the Queensland and South Australian Governments. Both States have committed themselves to enacting legislation to recognise and support the Lake Eyre Basin Agreement. While not legally required, the Commonwealth has decided to confirm its commitment to the future sustainable management of the Lake Eyre Basin and the protection of dependent environmental and heritage values, by legislative means. There is strong community support for Commonwealth and State legislation recognising and giving effect to the Agreement and associated institutional arrangements.

The Agreement is focused on the management of water and related natural resources within these catchments. Of particular concern are the cross-border flows in these river systems which support sensitive downstream ecosystems such as the Ramsar-listed Coongie Lakes in South Australia and other water dependent environment and heritage values in the Basin. The Agreement will provide the formal basis for the respective Governments to develop and/or adopt policies and strategies aimed at improving the management of these cross-border river systems. A Ministerial Forum established under the Agreement will make relevant decisions. The Forum, which will meet at least one each year, will comprise Ministers from the Commonwealth, Queensland and South Australia.

Ensuring that the Basin’s values are protected for present and future generations requires an ongoing partnership involving governments, industry and the community. This Bill and the Lake Eyre Basin Agreement will strengthen and build upon the regional catchment management framework already established by the Basin community over the last four years as part of the Lake Eyre Basin Regional Initiative. The Initiative is being funded under the Government’s Natural Heritage Trust.

The launch of the Lake Eyre Basin Coordinating Group’s Strategic Plan in late 2000, and the Catchment Strategies developed by the Cooper Creek and Georgina-Diamantina Catchment Committees, are a tangible demonstration of what such regional partnerships can achieve. It is important to note that the Basin community has developed the catchment management framework from the ground up and therefore has full ownership of the process. The community has not only been involved in identifying and prioritising the problems, but has been directly responsible for developing and implementing the solutions.

While the work of the community has been critical to the success of the Lake Eyre Basin Regional Initiative, I am pleased that the Commonwealth Government has also been able to play a key role. The most obvious way in that the Government has contributed to date has been through the provision of financial support for the Lake Eyre Basin Regional Initiative. Over the past four years, the Commonwealth Government has provided well over $1M towards the operations of the Coordinating Group and the Catchment Committees and other Basin related projects under the Natural Heritage Trust. The Queensland and South Australian Governments have matched this funding. Financial and in-kind contributions have also been provided by other stakeholders across the Basin.
Many communities in regional and remote areas of Australia are currently facing serious challenges. An increasing number of these communities are now taking positive steps to tackle the hard issues head on and develop strategies to address their concerns and provide the basis for a sustainable and viable future. I am confident that the success of community-driven processes such as the Lake Eyre Basin Regional Catchment Initiative will empower other rural communities across Australia who may be facing similar challenges to also take affirmative action.

The Lake Eyre Basin Agreement will strengthen the partnership between governments and the community, and provide a mechanism for the community to contribute to decision making processes and associated arrangements for the sustainable management of the Basin. In response to community demands for full consultation on and involvement in decision-making affecting the management of the Lake Eyre Basin, the Agreement provides for the establishment of a Community Advisory Committee. This Community Advisory Committee will enable the views of the Basin community to be fully and directly represented to the Ministerial Forum.

I believe the Lake Eyre Basin Intergovernmental Agreement Bill 2001 will ensure that the nationally important economic, social and environmental values associated with the cross-border river systems of the Lake Eyre Basin will be protected for the benefit of all present and future generations of Australians.

I commend the Bill to the Senate.

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

FORMULA ONE GRAND PRIX

Motion (by Senator Allison) put:

That the Senate—

(a) notes that:

(i) on 1 March to 4 March 2001, the Formula One Grand Prix will be held in a public park in Melbourne,
(ii) more than 1 000 established trees were cut down to construct the track,
(iii) for at least 5 months of the year, Grand Prix infrastructure interferes with public access to, and enjoyment of, the park, which comprises 60 per cent of the public open space in the City of Port Phillip,
(iv) tobacco promotion and advertising in a park is abhorrent,
(v) the park is progressively degraded each year by the event,
(vi) each year more than 27 000 tonnes of infrastructure is trucked into the park and then out again, adding to the greenhouse gas problem, as well as polluting several suburbs en route, and
(vii) the methodology of economic evaluations of the 1996 and 2000 Grand Prix events has not been peer-reviewed and is questioned by some mainstream economists; and

(b) calls on the Victorian State Government to transfer the race to a permanent, purpose-built venue elsewhere in Victoria, which will right the ethical, environmental and economic wrongs caused by the event being held in Albert Park.

The Senate divided.

[9.43 a.m.

(The President—Senator the Hon. Margaret Reid)

AYES

Allison, L.F. Bartlett, A.J.J. 
Bourne, V.W. * Brown, B.J. 
Greig, B. Lees, M.H. 
Murray, A.J.M. Ridgeway, A.D. 
Stott Despoja, N. Woodley, J.

NOES

Abetz, E. Alston, R.K.R. 
Bishop, T.M. Boswell, R.L.D. 
Brandis, G.H. Buckland, G. 
Calvert, P.H. Campbell, G. 
Campbell, I.G. Carr, K.J. 
Collins, J.M.A. Cook, P.F.S. 
Cooney, B.C. Crane, A.W. 
Crossin, P.M. Crowley, R.A. 
Denman, K.J. Eggleston, A. 
Faulkner, J.P. Ferris, J.M. 
Forshaw, M.G. Gibbs, B. 
Gibson, B.F. Harradine, B. 
Herron, J.J. Hogg, J.J. 
Hutchins, S.P. Knowles, S.C. 
Lightfoot, P.R. Ludwig, J.W. 
Lundy, K.A. Macdonald, J.A.L. 
Mackay, S.M. Mason, B.J.
TEXTILE, CLOTHING AND FOOTWEAR STRATEGIC INVESTMENT PROGRAM

Motion (by Senator George Campbell) agreed to:

That there be laid on the table by the Minister for Industry, Science and Resources, no later than immediately after taking note of answers to questions without notice on 26 March 2001, the list of all firms having eligible textile, clothing and footwear (TCF) activities which have been registered for the TCF Strategic Investment Program and which are therefore entitled to a grant under that program.

NATIONAL MISSILE DEFENCE SYSTEM

Motion (by Senator Cook) put:

That the Senate—

(a) recalls its resolution of 29 June 2000 concerning nuclear disarmament and non-proliferation and notes the response by the Minister for Foreign Affairs (Mr Downer) of 22 August 2000;

(b) affirms that Australia must always be prepared to make its own independent judgements on strategic issues and its national security interests;

(c) considers the proliferation of weapons of mass destruction and ballistic missile delivery systems to be a most serious international security issue;

(d) notes:

(i) the declared intention of the United States Government to proceed with the development and deployment of a national missile defence (NMD) system, and

(ii) that countries including Canada, Germany and France have expressed strong opposition to the proposed deployment of NMD;

(e) noting that China has warned it will respond to NMD by increasing its strategic nuclear missile forces, expresses its concern that NMD may trigger a major nuclear build-up in the Asia-Pacific region;

(f) recalls Australia's longstanding support for the integrity of the 1972 Anti-Ballistic Missile Treaty as a keystone for nuclear arms control and disarmament;

(g) considers that sustained multilateral cooperation is fundamental to combating the proliferation of weapons of mass destruction;

(h) expresses concern that NMD is likely to be counter-productive, with the potential to undermine non-proliferation cooperation and derail world progress towards nuclear disarmament;

(i) deplores the Australian Government's support for the development and deployment of NMD;

(j) affirms that Australia should not support, or be involved in, NMD research, development or trials; and

(k) calls on the Australian Government:

(i) to review any such involvement in NMD through the satellite relay ground station at Pine Gap or other arrangements, and

(ii) to energetically support cooperative efforts to combat ballistic missile proliferation, including strengthening the missile technology control regime, pursuing a multilateral ballistic missile and space vehicle launch notification regime, urging the de-alerting of nuclear missile forces to reduce the risk of an accidental or unauthorised nuclear weapons launch and encouraging further negotiated deep cuts in existing nuclear arsenals.

Senator BOURNE (New South Wales) (9.48 a.m.)—I seek leave to amend this motion and make a short statement on it.

Leave granted.

Senator BOURNE—I will be brief. Senator Cook's motion is a really excellent one. It bears an absolutely remarkable resemblance to a motion which I sent down to Mr Brereton's office to see whether they
would be prepared to support it if I put it up. Unfortunately, it seems to not have several of the pieces of the motion I sent around to Mr Brereton’s office. I am very pleased that Senator Cook or Mr Brereton’s adviser or whoever was thinking along exactly the same lines as I was when this motion was written. I seek leave to amend the motion, to add in a few things which I have discovered are missing from the one I sent around there. I therefore move:

At the end of the motion, add:

(i) calls on the Australian Government to:
(ii) make no statements publicly or privately to US officials that in any way further the deployment of NMD,
(iii) inform the Parliament what discussions if any have already taken place with respect to NMD and the joint facilities,
(iv) inform the Parliament as to whether any arrangements whatsoever have been entered into with respect to Space Based Infrared Systems at the joint facilities,
(v) refrain from allowing the use of the joint facilities in any manner contrary to the Anti-Ballistic Missile Treaty,
(vi) disallow use of the joint facilities or other facilities in Australia for NMD-related tests or NMD-related research,
(vii) urge the governments of the US and Russia to proceed with the early implementation of START-II and the negotiation of START-III at the lowest possible warhead levels as soon as possible, and
(viii) call on the nuclear weapons states to implement the commitment in the Final Declaration of the Nuclear Non-Proliferation Treaty Review Conference of 19 May 2000 to the ‘total and unequivocal elimination’ of nuclear weapons on a timely basis.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (9.50 a.m.)—by leave—Our motion follows on from earlier Senate motions concerning disarmament and nonproliferation issues. The Democrats, as has been said earlier this week, circulated a draft motion concerning national missile defence. As the opposition, and the alternative government in an election year, Labor very much prefer to express our policy on this important national security issue through our own motion. The motion reflects the policy position adopted unanimously at Labor’s national conference in August last year. Labor consider NMD to be a disproportionate, counterproductive and technically questionable response to the problem of ballistic missile proliferation. It has the potential to undermine international security cooperation and derail progress towards disarmament. NMD may well fuel a new nuclear arms race in the Asia-Pacific region. Meanwhile, rogue states and terrorists will continue to pose threats with weapons of mass destruction delivered by clandestine means.

Australia must always be prepared to make its own independent judgments on strategic issues and its national security interests. In the 1980s the Hawke Labor government was rightly critical of President Reagan’s strategic defence initiative. Labor banned Australia’s involvement in the SDI research and development. Contrary to claims of the then opposition led by Mr Howard, the ANZUS alliance was unaffected. Indeed, the alliance went from strength to strength. We first highlighted the adverse implications of NMD in March last year. In stark contrast, the Howard government has endorsed NMD. Almost alone among the US allies, they have disregarded the potential implications for nuclear arms control and nonproliferation. The government’s view of the ANZUS alliance involves the suspension of Australia’s independent strategic judgment. This is contrary to the Labor position.

As today’s motion reaffirms, Labor are committed to review any Australian involvement in NMD, through the early warning satellite relay ground station located at Pine Gap or other arrangements. Our judgment is that Australia should not support or be involved in NMD research development or trials. Labor’s approach will be consistent
with our past stance, our support of the integrity of the ABM treaty as a keystone for nuclear arms control, and our assessment of contemporary strategic circumstances. It is for those reasons we do not accept the amendment.

Senator BROWN (Tasmania) (9.52 a.m.)—by leave—I support Senator Bourne’s amendment. I believe that this is the right place for us to be discussing and giving directions to diplomatic staff elsewhere about Australia’s role in trying to prevent this ludicrous, highly expensive and dangerous missile shield which the Bush administration wants to proceed with in the United States and which will lead to an escalation of international tension as well as international fear of a resurgence of the nuclear terror that most of us have lived through in the last half-century. I think Senator Bourne is giving a useful addition to the motion that Labor has brought forward, and I will be supporting it.

Amendment not agreed to.

Original question resolved in the affirmative.

SUPERANNUATION LEGISLATION AMENDMENT (POST-RETIREMENT COMMUTATIONS) BILL 2000

First Reading

Bill received from the House of Representatives.

Motion (by Senator Ian Campbell) agreed to:
That this bill may proceed without formalities and be now 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) (9.55 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—

This Bill amends three Acts dealing with superannuation for Federal Parliamentarians and Commonwealth civilian employees in the CSS and PSS. These Acts are the Parliamentary Contributory Superannuation Act 1948, the Superannuation Act 1976 and the Superannuation Act 1990.

The amendments in the Bill will assist former members of these schemes to meet any post-retirement surcharge debts, by enabling them to convert their pensions to a lump sum.

Where surcharge assessments are issued before retirement a member can choose to pay them while still a member or leave them to accumulate within the scheme. On retirement, the scheme pays any outstanding surcharge debt and the member’s benefit is adjusted accordingly. However, where assessments are issued after members leave their scheme, these assessments must be met by the former member from their own funds.

The amendments in the Bill provide a facility to assist former scheme members to pay these assessments if they so choose. The amendments will also allow reversionary beneficiaries to commute their scheme pensions where they become liable to pay a surcharge assessment issued in respect of a deceased scheme member or former member.

Where a person takes up this commutation facility the commuted amount will be paid directly to the Australian Taxation Office to be offset against the surcharge assessment.

Those persons will have their scheme pensions reduced to recover the commutation amount over the period of the payment of the pension.

Changes will need to be made to the PSS Rules for these arrangements to apply to pensions from the PSS. The amendments made to the Superannuation Act 1990 by this Bill ensure that the Act will apply appropriately in the light of such changes.

The Bill will also provide a special appropriation for the payment of surcharge assessments under the Federal parliamentary superannuation scheme in a manner consistent with the arrangements for the Commonwealth civilian schemes. This will streamline the administration of the payments. It will have no effect on the Budget, scheme costs or members’ entitlements. Members of the parliamentary scheme will continue to have their benefits reduced on retirement to take account of the surcharge assessments paid from the scheme at that time.

Debate (on motion by Senator O’Brien) adjourned.
NATIONAL CRIME AUTHORITY LEGISLATION AMENDMENT BILL 2000 [2001]

Report of National Crime Authority Committee

Senator GEORGE CAMPBELL (New South Wales) (9.56 a.m.)—I present the report of the Parliamentary Committee on the National Crime Authority on the National Crime Authority Legislation Amendment Bill 2000 [2001], together with the Hansard record of the committee’s proceedings and submissions received by the committee.

Ordered that the report be printed.

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

Leave granted.

Senator GEORGE CAMPBELL—I move:

That the Senate take note of the report.

Question resolved in the affirmative.

BROADCASTING LEGISLATION AMENDMENT BILL 2000 [2001]

In Committee

Consideration resumed from 27 February.

Senator BOURNE (New South Wales) (9.57 a.m.)—Pursuant to contingent notice, I move:

That it be an instruction to the committee of the whole that:

(a) the committee divide the Broadcasting Legislation Amendment Bill 2000 [2001] to incorporate in a separate bill provisions relating to unrestricted multi-channelling for the Australian Broadcasting Corporation and the Special Broadcasting Service; and

(b) the committee add to that bill enacting words and provisions for titles, commencement and schedules of amendments.

Question resolved in the affirmative.

The CHAIRMAN—Order! The committee is considering the Broadcasting Legislation Amendment Bill 2000 [2001], as amended. The question is that the bill, as amended, be agreed to.

Senator BOURNE (New South Wales) (9.58 a.m.)—Madam Chair, please correct me if I have this wrong, but I think this is the point at which I should move the motion on sheet 2127.

The CHAIRMAN—That is correct, Senator.

Senator BOURNE—Therefore, I move:

(1) That amendment (2) on sheet 2107, containing Schedule 1, items 1 and 1A in relation to multi-channelling and agreed to by the committee on 27 February 2001, be incorporated in a schedule to a separate bill with items 1 and 1A renumbered as items 1 and 2, respectively.

(2) That the following be inserted at the beginning of the new bill:

A Bill for an Act to amend the Broadcasting Services Act 1992 in relation to multi-channelling

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the Broadcasting Services Amendment (Multi-channelling) Act 2001.

2 Commencement

This Act commences on the day on which it receives the Royal Assent.

3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Amendments

Broadcasting Services Act 1992

The reason for my doing this is that, first of all, I want everything which has been agreed to by the Senate so far to be considered by the Senate. Secondly, I have the very distinct impression—I may be incorrect but, if I am incorrect, it will not matter; and if I am correct, then this is important—that, if this bill goes through with these very important multi-channelling amendments in it, the rest of the bill will probably languish in the House of Representatives and never be seen again. I think it would be most unfortunate if that were to happen because the bill, as it is, even without the multichannelling amendments, is
very important to both the ABC and SBS. It contains provisions which allow the SBS to include international news on its multichannel and second channel. It contains provisions which allow the ABC and SBS to handle complaints procedures themselves, by their own boards, as well as other provisions which the ABC and SBS both believe are important for them.

If this motion goes through, that bill will go back to the House of Representatives. It is the bill that the government has agreed to—in fact, it is mostly the bill that the government has put up—and it would go through. However, I do not want the multichannelling amendments, which I still believe are very important and should be dealt with again, to disappear. So the second bill would also come up separately, as a split bill, and it would be considered by the Senate at a later date. I have circulated a sheet which puts up 6 August 2001 as the later date, so it would come up as an order of the day on 6 August and we would debate it, starting from scratch, as a separate bill. It is important that all parts of this bill are considered by the House of Representatives, but it think it will be better for the ABC and SBS if it is considered by the House in two parts. That is what this is designed to achieve.

If I am wrong and the government are prepared to let the multichannelling go through because they want the other bit so much, then they will vote for both of them. But I do not think that is going to happen. I am sad to say this but I think cabinet as a whole are not that keen on the ABC and SBS. I am very sad to say that. Cabinet as a whole are not going to die in a ditch over the ABC and SBS being advantaged. I think they will live with this bill if it is in two parts. They will live with the advantages to the ABC and SBS of SBS multichannelling, including international news and current affairs, and they will live with the other things that they have put up themselves. It is important that they go through. It is important that the multichannelling is debated again. It is an absolute, total tragedy that multichannelling was not included last year, when I think it would have gone through; but it was not, so the more debates we have on it the better. I believe that is what this motion will achieve and I recommend it to the Senate.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (10.03 a.m.)—The government support this motion. I want to make sure Senator Bourne understands precisely where we are on these issues. We certainly believe it is important in honouring the commitment we gave last time around to bring the codes of practice and related matters back to the Senate. We, however, take the view—and this is the view of the government; it is not a view of some members of cabinet and not others—that the ABC ought to be and therefore should be allowed to continue as a quality alternative to the commercials. What it is allowed to do and what it expressed happiness with being allowed to do back in June is a whole range of areas where you can be new and innovative and exciting and provide all those sorts of things that people instinctively look to the ABC for rather than to the commercials.

I would very much hope that the ABC will take the opportunity to come up with a lot of material in areas like education, history, science, health, art and culture, finance and business, court and parliamentary proceedings, children’s programming, international
news, rural news, international documentaries, subtitled programs and occasional drama. There are a whole raft of areas where there is enormous scope for the ABC to demonstrate the difference between it and the commercials. So I hasten to assure Senator Bourne that we are very much committed to the ABC going down that path. We do not believe that its charter needs amendment in the way that the Labor Party does. I am sure you understand there is really only one party in this parliament out to get the ABC. I spelt that out in great detail yesterday and I am very much looking forward to Senator Bishop’s point by point response to that.

Senator Mark Bishop interjecting—

Senator ALSTON—You were flushed out. Your cover was blown yesterday, comprehensively. This business of sneaking in, in the dead of night, and putting that horse’s head calling card on the table is something you will not be able to get away with in the future. The ABC knows it and the public will now know it. We will be very vigilant indeed in ensuring that you are not able to nobble the ABC, terrorise it and intimidate it in the way that you have been attempting to do. Therefore I can assure Senator Bourne that if she sticks with us she is on the side of the angels.

Senator MARK BISHOP (Western Australia) (10.06 a.m.)—I should make a few comments for the record about the motion moved by Senator Bourne. I will take as my starting point the discussion that we had for some time about this bill on Tuesday afternoon. Both Senator Bourne and Senator Alston could not contain themselves in their glee as they explained to the chamber and those listening how the Australian Labor Party had misused its position, how it had given away its leverage, how it had behaved poorly and had not thought through its position in terms of what it was going to do on multichannelling last June and July and how, because of the calls that we made at that stage, the world was going to come to an end.

Today, of course, we have exactly the same issue, the same decision and an identical response being put by Senator Bourne for the Democrats and by Senator Alston for the government. Senator Bourne’s argument really is that, if the bill as amended goes as a whole bill to the House and is not split, it will remain down there, it will be lost and the government will not bring it back. Hence, the opportunity for the amendments that Senator Bourne’s party regards as critical will be lost until the matter is revisited in another bill or another act some time in the future.

Our response to that is twofold. Firstly, we regard the issue of multichannelling as more important than the other aspects of the bill. We do not say that the other aspects are unimportant or minor but, in terms of the totality of the bill and the things that it seeks to achieve, we regard the multichannelling issue as a priority matter. That being the case, we believe it would be appropriate for the bill to remain intact. Who knows what would have happened if the bill had been passed in the form that we thought it would be passed in on Tuesday and had gone down to the House? Who knows whether the government might revisit its policy position, accept that multichannelling is a wise option, accept the bill and return it to the Senate? We will not know that, Senator Bourne. We are not going to have the opportunity over the next few weeks to see that, because you and the government have made a pre-emptive decision not to allow that option to be given consideration.

I think it is appropriate to put that on the record in a nice and gentle fashion, Senator Bourne, as you put it on the record in a nice and gentle fashion on Tuesday when you were joined by Senator Alston. I will not pursue that. It is there, and we now understand who has been serious in this game. For the record, the opposition oppose the process that has been put before us by the government and the Democrats.

Senator BOURNE (New South Wales) (10.10 a.m.)—Just to sum up, I think it is probably better not to touch anything that the minister said, which was quite extraordinary. However, I should mention a couple of the things that Senator Bishop mentioned. Senator Bishop says that this is exactly the same situation as we had in June last year. To tell you the truth, I have had absolutely no
media representatives knocking on my door about this except the ABC and SBS. I do not recall that there was anybody at all from FACTS, anybody at all from Channel 9, anybody at all from Channel 7, anybody at all from Channel 10, anybody at all from Foxtel or anybody at all from Optus Vision. Nobody has been knocking on my door about this except the ABC and SBS.

There is zero imperative on the government to pass this bill, unlike last June, when the imperative was huge; it was massive. We were on the last day of sitting. There were very powerful, rich and important people knocking on the government’s door, knocking on Senator Bishop’s door—or perhaps Mr Smith’s door; they were knocking on somebody’s door in the opposition—and knocking on my door, and they wanted that bill passed. They did not care if the ABC and SBS had unrestricted multichannelling. I still do not know how the opposition could possibly have given in, not stuck to that amendment and not given the ABC and SBS unrestricted multichannelling.

The situation today is so different that it is ridiculous. It is farcical. It is unbelievably different. There is no imperative on the government to pass this bill—zero. In fact, the minister has just said that he knows—and I know—what is going to happen. Senator Bishop, you say that nobody knows. Come off it! You have been around a while. Good gracious! Anybody who has been around the House of Representatives or the Senate knows exactly what would happen to this bill if it went through to the House of Representatives in its current form. You know it as well as I do. The minister knows, I know and everybody knows. It would languish, because there is no pressure to pass this bill. The only people who want this bill passed are the ABC and SBS.

Despite what the minister just said, I do not think that the greatest fans of the ABC and SBS are in the government. I do not think that is the case, sadly, I wish I did, but that is not the case. It is a huge and most outrageous furphy. When I see it in the press release, I am going to have to tear it into many little pieces and probably tread on it. It is absolutely outrageous. I know your press release is ready to go, and let me tell you, Senator Bishop, so is mine. It is absolutely ridiculous. I cannot believe you even said that. I suppose you have to say that—fair enough. But it is so patently untrue and so patently a furphy that it is absolutely unbelievable that anyone would say it.

I should be a little more calm here. I will in fact, as Senator Bishop said, respond in a nice and gentle fashion. I am sorry I lost my nice, gentle fashion there. I am going back to my nice, gentle fashion. To sum up, the reason why we need to pass this motion now is that the situation with regard to this bill could not possibly be more different from the situation with regard to the bill last June. The situation is that, if this bill goes through without being split, the whole bill will go down. It will languish. It will just disappear. It will never be seen again. The ABC and SBS will not have the complaints handling procedures that they want under their own boards, and SBS will not have the restriction on multichannelling for international news and current affairs lifted, as it would be under this bill. It is very important to the ABC and SBS. They know it. They believe this is the right thing to do. It is very important to them that this happens. I am going to stick with it—despite the vilification that is about to follow—because it is really important that the ABC and SBS get these small and large advantages, which they otherwise would not have.

The CHAIRMAN—The question is that the motion moved by Senator Bourne be agreed to.

Question resolved in the affirmative.

Bills, as amended, agreed to.

Bills reported.

Adoption of Report

The ACTING DEPUTY PRESIDENT (Senator Crowley)—The Chairman of Committees, Senator West, reports that the committee:

(a) had considered the Broadcasting Legislation Amendment Bill 2000 [2001] and, pursuant to the instruction of the Senate, had divided the bill into two bills, the Broadcasting Legislation Amendment Bill 2000 [2001] and the
Broadcasting Services Amendment (Multi-channelling) Bill 2001;
(b) had amended the Broadcasting Legislation Amendment Bill 2000 [2001]; and
(c) had agreed to the Broadcasting Services Amendment (Multi-channelling) Bill 2001 with enacting words and provisions for titles and commencement.

Motion (by Senator Alston) proposed:
That the report of the committee be adopted.

Amendment (by Senator Bourne) agreed to:
At the end of the motion, add “and that further consideration of the Broadcasting Services Amendment (Multi-channelling) Bill 2001 be made an order of the day for the next day of sitting”.

Original question resolved in the affirmative.

Third Reading

Bills (on motion by Senator Alston) read a third time.

WORKPLACE RELATIONS AMENDMENT (TALLIES AND PICNIC DAYS) BILL 2000

In Committee

Consideration resumed from 28 February.

The bill.

Senator JACINTA COLLINS (Victoria)

(10.17 a.m.)—In this matter, I can at this stage foreshadow that the Labor Party have circulated amendments to the amendments we understand the Australian Democrats will be moving. Let me firstly deal with the issue of picnic days. The Labor Party, whilst expressing the opinion that we would have preferred to oppose this bill outright, can accept the intention of the Democrats to excise the picnic days provisions from what ultimately might survive in this bill. We support those Democrat amendments, which have been foreshadowed through their circulation in the chamber, in removing references in the bill that relate to picnic days. The Democrats are essentially trying to make the best of an otherwise bad lot.

As I canvassed in my speech in the second reading debate, the removal of picnic days from allowable award matters is essentially a petty and vindictive ideological act rather than a substantive policy achievement by this government. It has no saving graces whatsoever. From the evidence we have received, it would simply add confusion and unnecessary work and it would pointlessly waste the resources of the Australian Industrial Relations Commission and the industrial parties. I might now give Senator Murray the opportunity to deal with the Democrat amendments with respect to tallies. I will then foreshadow the Labor Party’s proposed amendments to the amendments circulated by the Democrats on tallies.

Senator MURRAY (Western Australia)

(10.19 a.m.)—I suggest that the committee deal with the amendments individually as we go. I would like to commence with Democrat amendment (1) on sheet 2053. That amends the long title of the bill to omit the words ‘and picnic days’. It is necessary because my amendments, if carried—and Parliamentary Secretary Ian Campbell would be aware of Labor’s sentiments—will make the title of the bill irrelevant to what is eventually passed. It seems to me a straightforward amendment.

Senator JACINTA COLLINS (Victoria)

(10.21 a.m.)—I indicate to Senator Murray that the clerks have advised me that it may be simpler to process this matter with all of your amendments at once and then to process the Labor Party’s amendments to your amendments all at once. Senator Murray might like to indicate to the committee whether there is a reason that he feels he needs to separate particular items.

Senator MURRAY (Western Australia)

(10.21 a.m.)—Perhaps we can deal with amendments (1) and (2) together. That would make sense. Amendments (3) and (4) deal with royal assent. Amendment (5) deals with tallies. I do not want to mix them all up together.

The CHAIRMAN—It would make sense to move amendments (1) and (2) together.

Senator MURRAY (Western Australia)

(10.21 a.m.)—by leave—I move Democrat amendments (1) and (2) on sheet 2053 together:
I will speak briefly to amendment (2), having already dealt with amendment (1). I dealt with this issue at length in my remarks in the second reading debate. Essentially, the position the Australian Democrats came to was that at present the issue of public holidays is present in the act but it is not defined, and picnic days are not mentioned at all. Picnic days intertwine very closely with public holidays, particularly the state determination of them. In a number of states the determination of public holidays not only is the standard 10 days outlined in the Industrial Relations Commission test case but also includes those days designated in certain states as being an appropriate public holiday, such as Canberra Day or Melbourne Cup Day. The consequence is that there are only a small number of awards in which the picnic day is a discretionary day in lieu of a public holiday. If employers or employees want to contest that as a part of awards or agreements, they may in fact do so with the IRC, and the IRC is at liberty to knock them off. Because the vast majority of picnic days are taken as, or are part of, a designated public holiday, they would continue regardless.

Having tried to go the route of defining public holidays—which was one way of dealing with it—and finding that that probably unnecessarily added to the act, in the end we said to ourselves that this is not an issue apart from in a few awards. Employers concerned with those awards, if they feel strongly about it, can contest them in the Industrial Relations Commission. Accordingly, we have moved to amend the bill and consider only tallies in the bill. (Quorum formed)

Amendments agreed to.

Senator MURRAY (Western Australia)
(10.28 a.m.)—by leave—I move Democrats amendments (3) and (4) together:

(3) Clause 2, page 1 (lines 9 and 10), omit “a day to be fixed by Proclamation”, substitute “the day on which it receives the Royal Assent”.

(4) Clause 2, page 1 (line 11) to page 2 (line 2), omit subclause (2), substitute:

(2) Item 1 of Schedule 1 commences 12 months after the day on which this Act receives the Royal Assent.

These amendments give some certainty to the timing of the act and when it should occur. There are two parts to it: the first is to change from ‘a day to be fixed by proclamation’ to ‘the day on which it receives the royal assent’; and the second part ensures that the provision of this act—item 1 of schedule 1, which relates to tallies now—does commence 12 months after the day on which this act receives royal assent. It gives a very precise time line. The original time line was six months. We had submissions made to us that it should be at least 18 months. The commission had indicated three years. The government itself is trying to accelerate that to six months. We agree with the acceleration concept but unfortunately the resources of the commission are such that we doubt, given all the other pressures, that six months would be enough time and therefore we think that 12 months is more appropriate.

Senator JACINTA COLLINS (Victoria)
(10.30 a.m.)—As I foreshadowed before Senator Murray formally moved the Democrat amendments with respect to picnic days, the amendments have the support of the Labor Party because, in essence, they excise from this bill the government’s intentions in relation to picnic days.

Amendments agreed to.

Senator MURRAY (Western Australia)
(10.30 a.m.)—I move Democrat amendment (5) on sheet 2053:

(5) Schedule 1, page 3 (line 2) to page 10 (line 18), omit the Schedule, substitute:

Schedule 1—Tallies
Workplace Relations Act 1996

1 Paragraph 89A(2)(d)
Omit “, tallies”.

2 At the beginning of paragraph 89A(2)(d)
Insert “incentive-based payments (other than tallies).”.

3 After section 89A
Insert:
89B  Review of certain awards

(1) Within 12 months after this section commences, the Commission must review all awards containing clauses that provide for, or regulate, tallies and, after considering appropriate alternatives, may vary an award to remove such clauses.

(2) Any clause that provides for, or regulates, tallies that is contained in an award ceases to have effect at the end of 12 months after this section commences.

(3) After the end of the period of time mentioned in subsection (2), the Commission may vary any award to remove any clauses that have ceased to have effect because of subsection (2).

(4) If the Commission varies an award under subsection (1) or (3), it must include in the award provisions that ensure that overall entitlements to pay provided by the award are not reduced by that variation, unless the Commission considers that it would be in the public interest not to include such provisions.

The Australian Democrats have agreed that the race has been run for tallies in the meat industry. We have outlined the nine awards so affected—I think it was nine, but it might have been seven—and we believe that the substitution of incentive based payments other than tallies is an appropriate adjustment to paragraph 89A, which is otherwise known as the allowable awards section of the act.

The particular clause of the act refers to piece rates and tallies. It was obviously the intention of the government when it passed that act—and it was the intention of the Democrats, who agreed to the passage of that act—that incentive based payments should indeed be part of allowable award matters—that payment by results was an appropriate award matter and that it should be included. However, we believe tallies have a narrow definition which attaches itself to the meat industry. As outlined in my second reading contribution, the meat industry provisions on tallies will go, and the commission has so indicated that. Therefore, I think it is appropriate for there to be legislative correction of that position. The Democrat amendment deals with that issue.

It also deals with the review considerations, and you will see the 12-months theme being repeated under section 89B. The consequence of that is to ensure that the process occurs in an orderly and understood manner for the industry concerned. I recognise that there will be ALP amendments to our amendment. I will address those when Senator Collins moves them and will respond to them accordingly. I would of course wish to hear from the government concerning those ALP amendments before I respond.

Senator JACINTA COLLINS (Victoria) (10.33 a.m.)—This is probably the most opportune time for me to deal with the government’s amendments and the Democrats’ amendments in relation to tallies in a general sense. I move amendment (1) on sheet 2132:

(1) Schedule 1, item 2, paragraph 89A(2)(d), omit “(other than tallies)”.

Our amendment to item 1 and other amendments that have been contemplated by the Labor Party are intended to address what Labor see as fairly significant deficiencies in the original bill and also in the Democrat amendments. Senator Murray alluded to that difficulty in his second reading contribution the other night. It is a problem of definition. The Democrats have at least provided a definition in their amendments for what constitutes a tally, but their definition is potentially as dangerous as the government’s lack of definition.

It is common ground between the Democrats and the government that the aim of the tallies amendments is to reform what is alleged to be an inefficient tally system in the meat industry and that the amendments should apply only to the nine federal meat industry awards. However, there is a real issue here of whether other awards, apart from those dealing with the meat industry, will be affected by this legislation as it was presented by the government. The opposition’s amendment to item 1, and those amendments foreshadowed with respect to items 2 and 3, deal with an attempt by the opposition to clarify that this instrument is directed at the meat industry.
We maintain our principal position, which is that the commission should determine these matters and should also determine the flow-on of its decisions. So, in principle, we still have a concern with the government’s bill and with the Democrat amendments. However, if the amendments were to proceed through the parliament, the concession that we had indicated to the Democrats we were prepared to consider if our amendment to item 1 was supported—that we would clarify item 2, in terms of the parliament using a very heavy-handed instrument to impose a flow-on process on the commission—was to confine it solely to the meat industry. In that sense, the proposal circulated in sheet 2132 by the Labor Party was a package proposal, and we would hope that we would have Democrat support for our amendment to item 1.

Let me go to the substance in that respect. There is no standard definition of a tally or any other piece rate or incentive based pay system operating in awards. The commission, in its background paper on the federal meat industry decision, described a tally as one form of the more general class of payments by result systems of work—in other words, incentive based payment systems—but it provided no guidance on how to differentiate within that general class. The commission said:

The notion of tally systems in the meat processing industry is built around a daily level of the input for production to be processed within ordinary hours by a specified or calculable number of employees.

The commission is clear that this is a tally as it is understood within one industry. To quote further:

They are dealing with a specific industry and specific awards but that notion is not limited to that industry.

We are dealing with legislation of general application across the entire workforce directed at section 89A of the act, and that includes every fruit-picker, every shearer and every manufacturing industry pieceworker. I think some illumination on this matter is required. As I think Senator Ludwig pointed out to me, if you look at the definition of the word ‘tally’—and the government have already pointed out to the Senate the importance of common meaning usages—in The Macquarie Dictionary, it includes, ‘The number of sheep shorn’. When we move on a bit further on this issue, I will have questions for the government about their information with respect to how tallies operate within other industries. I am hoping they will have more information than that provided to the committee when we held hearings on this bill. I am aware that there are a number of awards that include the notion of a tally. I am hoping that the government will be able to clarify for the first time in this debate precisely how tallies operate across all industries, given that their current bill is not limited to the meat industry.

All of the awards for fruit-pickers, shearsers and manufacturing industry pieceworkers who have incentive based pay systems are potentially affected by this bill and are potentially affected by the Democrat amendments. In my view, it is impossible to construct a generic definition of a tally that would be limited to the meat industry. Thus our proposed amendments that clarify that the commission has discretion with respect to incentive based payments do not seek to apply some negative definition by referring to other than tallies still not being specific to the meat industry. If we are successful on that point, our amendments then clarify the concession that we had been prepared to make that the commission’s decision in relation to tallies in the meat industry flows on in a fairly heavy-handed fashion on this particular occasion and, from our point of view, we would not like to see an established precedent.

Our amendment provides certainty by expressly limiting the removal of tallies to one industry. The amendment also inserts into the act recognition of the wide class of incentive based pay systems that exist in the real world by specifically including that description used by the commission. The other beauty of this solution—and I must also give Senator Murray credit for this—is that the amendments respect and uphold the umpire’s decision and the umpire’s discretion in relation to that broad class of incentive based pay systems, and they do not seek to exclude as al-
allowable matters anything else that might be referred to as the tally in whatever notion or sense in some other award. It is concerning that this bill is seeking to address section 89A of the act. If we look at the scope of section 89A it states:

Industrial dispute normally limited to allowable award matters

(1) For the following purposes, an industrial dispute is taken to include only matters covered by subsections (2) and (3):

(a) dealing with an industrial dispute by arbitration;
(b) preventing or settling an industrial dispute by making an award or order;
(c) maintaining the settlement of an industrial dispute by varying an award or order.

What is being proposed here is that we remove tallies on the basis of a meat industry decision when the notion of tallies exists in other awards. This has a potentially broad and significant impact on the act, much more broadly than with respect to the meat industry and a specific decision in the meat industry. This case is a little like what the government sought to do with pattern bargaining. They have used a very broad and poorly defined instrument and are purporting to achieve one particular outcome with that instrument but its scope is much broader than intended. I look forward to the department providing the committee with more information about the other usages of tallies in federal awards, because I think it will be the first time that that information has been made fully available, both to the opposition and to the Australian Democrats, and will affirm our case that we need to more clearly define—more than the Democrats are proposing—this instrument in relation to its impact on tallies.

I think the Australian people agree that we must clarify the commission’s role in these areas. I think it is important. For instance, we had a survey released earlier this week in Victoria that indicated a 93 per cent small business level of support for the role of an independent umpire. I do not think it is time for the Democrats, the government or us to be supporting a proposal that further limits the commission’s discretion. There is no doubt that there are a couple of points that are very clear here in relation to what the government are seeking to do. The government are seeking to remove the term or notion of tallies from allowable matters. It is clear that tallies do apply in other federal awards. If we do not deal with amendment (1) that I have moved just now and ensure that that reference to ‘other than tallies’ in allowable matters is excluded, the commission’s power will be limited in relation to those other awards that refer to tallies.

Some might argue that that is not going to have a significant impact because there are other provisions through award modification that have allowed those provisions to occur in other awards. But the commission does not have the resources to waste its time with these matters. If this parliament can confirm these issues now, why waste the time of a highly resource limited commission? Why waste the time of the industrial parties? Why give some parties an opportunity through confusion to undermine further industrial conditions in awards when it is so easy to confirm and clarify that the commission has scope to deal with incentive based payments across the board? But the parliament acknowledges the decision that the commission has made in the meat industry and, if our foreshadowed amendments are accepted—they are targeted clearly at the meat industry—the process that the Democrats have suggested for moving along that flow-on can occur.

If we go ahead with the Democrat amendment, unamended, in relation to 89A(2)(d) of the act, then we will have big problems. We will have the Democrats conceding to the government that tallies, as they exist in other awards other than the meat industry, are compromised. At the very best, it will be a poorly clarified situation and, at the worst, the tallies will be compromised. I am interested to hear from the government, if it is not prepared to accept the amendment that I have moved, how it would argue that that will not be the case.

I will conclude at this stage with a couple of questions to the government. How can the government assure the committee, if it is not accepting the amendment that I have moved—amendment (1) on sheet 2132—that
the tallies in non-meat industry awards are not affected? Can the government inform the committee of its understanding of precisely which awards currently include references to tallies and tally books, or whatever sense the word ‘tally’ is used in those awards?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (10.47 a.m.)—I am happy to respond to that because it seems to be the main point of contention, and it is a legitimate point. Senator Collins, I think you have only foreshadowed your amendment (1) to the Democrat amendment.

Senator Jacinta Collins—No, I have moved amendment (1).

Senator IAN CAMPBELL—I will respond to that then. The government is prepared to accept the Australian Democrats revised schedule insofar as it relates to tallies. We do have concerns about the Labor Party’s amendment (1).

Senator Murray—Mr Temporary Chairman, I rise on a point of order. I apologise, Mr Temporary Chairman, because I am not sure that the chair nor other members of the Senate have been forewarned of an adjusted amendment coming from the Australian Democrats. Both adviser boxes have been forewarned. My amendment will be adjusted from ‘other than tallies’ to ‘other than tallies in the meat industry’, which is what Senator Ian Campbell is referring to. You will shortly have that paper in front of you.

The TEMPORARY CHAIRMAN (Senator Calvert)—Thank you, Senator Murray. We are currently dealing with the amendment moved by Senator Collins, and I think we should continue with that.

Senator IAN CAMPBELL—Mr Temporary Chairman, technically you are not going to rule on that preposterous impersonation of a point of order, are you? We probably need a system in the Senate like that in a classroom where you can say, ‘Sir, sir,’ if you want to interrupt. Maybe that is a bit undignified. So the point of order is the only way we can interrupt. But it was a useful interruption, even though it was not a point of order.

TEMPORARY CHAIRMAN—I am going to interrupt you now, if I may. Senator Murray, would you like to adjust your amendment now and put that in place?

Senator MURRAY (Western Australia) (10.49 a.m.)—Yes, Mr Temporary Chairman. I do apologise for the procedure. Regrettably, we slipped up this morning in terms of getting that around in time. I propose to move Democrat amendment (5) on revised sheet 2137. Just to reassure the Senate, it is the same amendment except for one line which previously read:

Insert “incentive-based payments (other than tallies)”

It will now read:

Insert “incentive-based payments (other than tallies in the meat industry)”

I seek leave to amend my amendment (5) on sheet 2053.

Leave granted.

Senator MURRAY—I move revised Democrat amendment (5) on sheet 2137:

(R5) Schedule 1, page 3 (line 2) to page 10 (line 18), omit the Schedule, substitute:

Schedule 1—Tallies

Workplace Relations Act 1996

1 Paragraph 89A(2)(d)

Omit “, tallies”.

2 At the beginning of paragraph 89A(2)(d)

Insert “incentive-based payments (other than tallies in the meat industry).”.

3 After section 89A

Insert:

89B Review of certain awards

(1) Within 12 months after this section commences, the Commission must review all awards containing clauses that provide for, or regulate, tallies and, after considering appropriate alternatives, may vary an award to remove such clauses.

(2) Any clause that provides for, or regulates, tallies that is contained in an award ceases to have effect at the end of 12 months after this section commences.
(3) After the end of the period of time mentioned in subsection (2), the Commission may vary any award to remove any clauses that have ceased to have effect because of subsection (2).

(4) If the Commission varies an award under subsection (1) or (3), it must include in the award provisions that ensure that overall entitlements to pay provided by the award are not reduced by that variation, unless the Commission considers that it would be in the public interest not to include such provisions.

I assume Senator Collins would either seek to withdraw or amend her amendment to my revised amendment.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (10.50 a.m.)—I will put these points on the record and, unless there is some other matter I have not foreseen, I should not need to say anything else. I think this is the main point at issue. Item 2, as proposed to be amended, would simply insert into paragraph 89A(2)(d) ‘incentive-based payments’ without any qualification. I think that is the intention of Senator Collins’s amendment. Tallies as used in the meat industry are arguably a type of incentive based payment. So this amendment would technically allow the commission to introduce new award provisions for tallies in the meat industry. Regardless of all the rhetoric, I think that is ultimately what the ALP would seek to have. So it entirely contradicts one of the objects of this legislation—that is, the omission from the list of allowable matters, which is proposed by item 1 of Democrat amendment (5), as amended. We would also contend that it would be contrary to the purpose of the Democrat amendment, and that is why we oppose it.

Senator Collins also asked for qualification in relation to reference to the word ‘tally’ in awards, and I think I can add some further information and illumination to the debate in that regard. I suspect that Senator Collins may already know the answer, but I am happy to put it on the record because it is something the government is quite clear about. We do not think that further clarification should need to be made, but for the record I have been advised that there are some 35 federal awards other than the meat industry awards that use the word ‘tally’ but that these references relate to tallying as a numerical counting process rather than in the meat industry context of a pay system. There is a significant difference. It is simply not credible, particularly for people who have had experience in the industrial systems, to try, for their own reasons, to confuse the two. There is a significant difference between references in relation to numerical counting and references to the use of tallies in pay systems.

As I said during the second reading debate—and I certainly tried to make it quite clear—the Industrial Relations Commission has confirmed that the terms in section 89A of the Workplace Relations Act are ‘to be given their ordinary meaning having regard to industrial usage.’ The removal of tallies from paragraph 89A(2)(d) of the act—that is, from a list of pay systems covering piece rates, tallies and bonuses—is clearly directed at the non-allowability of the tally pay systems used in the meat industry rather than references to the counting type of tally for other purposes.

As someone without experience in handling industrial relations before the commission or any other place it is quite clear to me and, I am sure, to those who have more experience than I—and that is virtually everyone in this place—and the only way you would seek to confuse it is if you are trying to create a political outcome which is totally contrary to the bill. If you disagree with the intent of the bill it is probably more frank and upfront to just vote against it. But if you agree with government’s purpose then you would support the bill. As I have indicated, we will support the Democrat amendment.

The TEMPORARY CHAIRMAN (Senator Calvert)—I think that Senator Collins should clarify her position on her amendment to the Democrat amendment now because I believe it is different.

Senator JACINTA COLLINS (Victoria) (10.54 a.m.)—I can indicate that amendment (1)—the only amendment we have moved at
this stage—needs to be amended. I seek leave to amend that amendment.

Leave granted.

Senator JACINTA COLLINS—I move:

(1) Schedule 1, item 2, paragraph 89A(2)(d), omit “(other than tallies in the meat industry)”.

Senator COONEY (Victoria) (10.55 a.m.)—Back in the days of jury trials during the 1950s and 1960s, with which I have some familiarity, people used to be called to form juries. The defence could have eight peremptory challenges but the Crown could stand aside those whom they thought undesirable. They used to stand aside people who were called ‘waterside workers’. One day a waterside worker who was called got up and said—and I think properly said—’Why should we be selected out like this because of a particular belief, a particular attitude taken by the Crown?’ That memory was brought back to me by what is happening here now. Every other worker in every other industry can have their wages decided by a tally except for the meatworkers. The meatworkers are, for some reason, evil. The meatworkers, for some reason, are to be denigrated. The meatworkers are less than any other worker in the town. I see some people shaking their heads.

Senator Ian Campbell—I am shaking my head because it is not true.

Senator COONEY—It is true. What you are doing, and what everybody else here is thinking, is that you come here on the basis of having had plenty of inquiries and people giving evidence. But that is not what comes before the court. What comes before the court is what is written down. That is what the court will look at if this should be challenged. And the commission is the same. They have to look at what the words are—as they are and as they will continue to be into the future—and it will be forever fixed in legislation that for some reason everybody can have tallies but the meat industry. People are going to get up and say that we did this inquiry, we got all this evidence, we had a look at it all, and therefore this makes sense. But what has to be looked at by the commission and, more importantly, by the court—and the High Court if it should ever come to the High Court if it should ever come to that—are the words of the statute, and the words of the statute mean that every other worker in every other industry throughout Australia can have their wages assessed on the basis of tally, except the meatworkers.

I have to declare an interest here—not a financial interest, although I always think financial interests are in some way the least of the interests. I have to declare an emotional interest. I have a son who is the industrial officer for the Australasian Meat Industry Employees Union. That union came before your inquiry, Senator Murray, and was very peremptorily dealt with. Nobody wanted to ask them questions. Nobody investigated the issue with the union. Mr Graham Bird flew up from Melbourne and my son Justin—a very good industrial officer, may I say—was there. Very few questions were asked. Having made this investigation, having asked about two questions of them, the situation now arises where this bill is brought before the parliament and on this very flimsy investigation a provision is stuck in to exclude meatworkers.

I suppose for the sake of the record I should say that my wife, Lillian, also has an interest in the sense that she is a partner in the firm that acts for this union. So I agree that I may be affected by a matter of interest, but because I have the interest does not mean that what is happening here today is not wrong. It is wrong, because you are saying that if you are a worker on a building site, you are going to be all right; if you are a worker in the electrical trades union, you are all right; if you are a worker in the shops, you are all right; but if you are a worker in the meat industry, your character is such that you are going to be treated in a less decent fashion than every other worker.

About 2,000 years ago, there was a sort of legislative tribunal that said it is better to sacrifice one person for the good of the nation than for the nation to perish. In a certain way, that is what is happening here today: it is better for the meatworkers to perish than for the rest of the industries that may want to have their wages adjusted by tallies to be unable to do so. It is better for the meatworkers to be sacrificed than for the balance
to be. Here we have the sacrificial lamb. It is the lamb to the slaughter. These people are the ones who usually do the slaughtering, but in this case they are being slaughtered.

In this industry, you cannot point to any official in the union who has had any sort of criminal conviction, but you can point to the employers. You are giving advantage to employers in this industry, an industry where the character of the employers could well be cured, if I can put it in neutral words like that. I do not want to go into that, because people say they know the industry and the sorts of employers in the industry. You are now prepared to sacrifice workers in favour of those sorts of employers who have very doubtful records in many cases—not in all cases, by any means. You say, ‘It’s not the workers; it’s the unions.’ But it is not the unions that get paid on the tallies system; it is the workers. That is who you are sacrificing: the workers in this industry.

As I said in my speech during the second reading debate, they are the people who have to get up early in the morning and go out there and kill and slaughter and be splashed with blood; they rip open carcasses with all sorts of innards pouring out; they prepare the meat by dressing, boning and doing all those sorts of things. They are the sorts of people that you say are the only people in Australia who should not be capable of getting an award with a tally in it. So be it. The deal is done and away the process goes, but do not think for one minute that you are doing something that is noble, something that is great, something that is going to cure this industry. You are not. What you are doing is taking away from one class of people, one group of workers, an ability to get an award that you give to every other worker in Australia who should not be capable of getting an award with a tally in it. So be it. The deal is done and away the process goes, but do not think for one minute that you are doing something that is noble, something that is great, something that is going to cure this industry. You are not. What you are doing is taking away from one class of people, one group of workers, an ability to get an award that you give to every other worker in Australia. If you said, ‘There should be no tallies at all,’ at least you would not be making that distinction. When it is all said and done, tallies are an incentive system. If you want to abolish that system, then so be it, but taking away incentives in the form of tallies or in any other form seems to me to be a very funny way of going around an industrial relations system. But that issue has been argued.

So, in the noble redness of this house with its grand tradition coming down from the House of Lords in England, we make this legislation which affects the people who are in a red house of a much different sort: a house which is red with blood, a house which has all sorts of stuff which you could not bear to look at. We in this chamber, in this red house, are going to pass for people in another red house laws which prevent them and them only from taking a process which will be available to everybody else. But if that is the situation, so be it.

(Quorum formed)

Senator MURLAY (Western Australia) (11.08 a.m.)—I would like to respond to Senator Cooney’s remarks, and I would be grateful if he was able to find time to remain in the chamber, because I want to see if my remarks affect his views at all. He holds strong views, but I do know him to be a fair and just proponent of his views.

The first problem we have got in the bill—and it is so with many, many things; and I think it is rightly so with many, many things—is that there is no definition attached to the word ‘tallies’. We are a party, as everyone knows, which believes that it is the job of the Industrial Relations Commission to examine definitions and determine the detail and meaning of industrial relations matters under the law. The argument that everybody else will have tallies but not the meat industry is utterly wrong if you believe that the way in which the word ‘tallies’ is used in other awards is the same as in the meat industry, and the evidence to us is that it is not. I think members on your side, Senator Cooney, have already said that. ‘Tallies’ has many meanings, and the idea that meatworkers, as a result of excluding the word ‘tallies’ as it is currently used in the meat industry, are therefore excluded from incentive based payments is utterly and completely misleading. Of course they will be able to address incentive based payments, and they can call them by whatever name they wish. They can call them incentives, they can call them motivations, you name it, but they cannot call them tallies as determined in the Industrial
Relations Commission’s test case. That is the point.

The Industrial Relations Commission’s test case has said that tallies, in the form as currently used in the meat industry, will go and they will go within three years. This legislation attempts to speed up that process and regularise it. You can take issue with that; of course you can. But it is not this chamber or the Senate committee process which decided this matter; it was the Industrial Relations Commission. If you disagree with the Industrial Relations Commission’s view, then what you should be proposing is to overturn it through legislation. What this chamber is considering is confirming the Industrial Relations Commission’s test case view—that tallies as currently used in the industry will go within three years. You must know that to then jump from that to say that ‘everybody else uses tallies in the same sense currently as the meat industry’ is a misrepresentation. Perhaps it is an honest mistake, but you must know it is a misrepresentation. To suggest through that that meatworkers will then be excluded from incentive based payments is absolutely wrong. It does not say there ‘incentive based payments except for the meat industry’. It says: “incentive-based payments (other than tallies in the meat industry),’.

That is to say, as currently used and as determined in the Industrial Relations Commission test case.

Then we move to a further difficulty. I have heard you before, Senator Cooney, criticise Labor policy and then vote with them—which is the way with your side, and I respect it. Your very amendments in items (2) and (3) accept the point. I am not going to exaggerate the point. Senator Collins has made it clear to me and I am sure she will make it clear to the Senate that she regards that as a clarifying concession, so I do not want to overexaggerate the point. But the fact is that, instead of saying you will vote against us altogether, the Labor Party was prepared to amend it to say ‘tallies in the meat industry’. So you are arguing against your colleagues, Senator Cooney. That is terrific; I have no objection to that. But it seems a very strange thing to see amendments here which clarify the very point I am making: that this legislation deals with the Industrial Relations Commission test case and seeks to accelerate a process of regularising and resolving a process which is already underway. I have no objection to those who say, ‘You should rather just leave it and let that go their way.’ That is a point of view. But to jump to that and say that this is a consideration generated by this chamber, by a fairly perfunctory moment in Senate committee hearings, and then that it excludes meatworkers from incentive based payments, is wrong. Therefore, very courteously, I must disagree with you, Senator Cooney, and I make my points accordingly.

Senator COONEY (Victoria) (11.13 a.m.)—One thing that I might have some remote skills in is interpreting statutes. It would surprise me if a statute were interpreted by a court in the way that Senator Murray says. The court would look at the plain meaning of the words, and the words are ‘incentive based payments other than tallies in the meat industry’. The words ‘as currently interpreted’ or ‘as interpreted five years ago’ are not in there. It is just wrong to say that a court would look at this section other than in the clear meaning of the words, which are:

“incentive-based payments (other than tallies in the meat industry),’.

Through you, Mr Temporary Chairman, I would just say to Senator Murray: there are no words in the section which has been proposed which say ‘as currently understood’—absolutely no words at all. To say that it means ‘as currently understood’ is just not right at all. All I am pointing out is that the effect of all this is, as I have said, confined to the meat industry. There is no doubt about that. The very use of your phrase ‘insert incentive based payments other than tallies in the meat industry’, which is your phrase, Senator Murray, indicates that tallies are incentive based payments, otherwise you would not make exceptions. This means that, if this is being interpreted 20 years from now, people will say, ‘Yes, everybody else can have tallies.’ But, if there are tallies in the meat industry, of whatever sort, 20 years from now, they will not be able to form part
of the award. The meaning of a statute is the meaning set out in the words. That is fundamental. We learned that in our first year at law school. To simply say that 20 years from now, even five years from now, this will be interpreted on the basis of what your understanding is of tallies in the meat industry now is just not correct.

Senator JACINTA COLLINS (Victoria) (11.16 a.m.)—I think in this discussion I need to take all of us back to core principles. I want the Democrats to know exactly what they are doing here. Years ago we had the debate on allowable matters. We lost that debate, and we understand that section 89A operates. But what the Democrats are doing here and perhaps do not quite understand at the moment is a far more significant concession—a far more significant concession. Nowhere else in the act, in section 89A, do we pick or choose industries—nowhere. Nowhere does the parliament seek to intervene in the commission’s powers on an industry by industry basis. Nowhere in the act has the parliament sought to interfere with a commission decision and its flow-on in the way we have in this matter.

Senator Murray does not seem—and this concerns me greatly—to understand or represent the real concession that the Labor Party has made in this matter. The concession is that in our amendment No. 1 we clarify that the commission has broad powers under 89A in relation to all incentive based payments. That is the basis on which we then moved items 2 and 3. The fundamental principle here is the commission’s power to deal with these matters. If the Democrats are prepared to go down the path of picking and choosing industries in this area, what will be next? Which industry will we next pick out? Which industry will we highlight next in the act? What will be the issue that we next choose it on? For goodness sake.

In the current climate, after the impact of the GST, I would have thought that the Democrats were thinking very carefully before just adopting a government proposal on an amendment like this. This is a fundamental principle of industrial relations law. You have meddled once; you introduced the allowable matters—the Democrats know our policy there—and now you are going further. The Democrat and government proposals do not just pick matters that are allowable; they now pick industries. In relation to industry policy, I thought the government actually objected to picking winners and picking industries—but not in industrial relations. They picked the wharfies. Who will they pick next? Maritime, meat—what were the other sectors? I think construction was next. Construction will be the next one. What commission decision will you now seek to flow on that might have a result in the construction industry? What is next here? What will follow this? If I were a member of the Australian Democrats at the moment, I would be very concerned with this amendment. There is a fundamental principle at stake here: do we pick industries in relation to the commission’s powers?

I want to deal with a misrepresentation made by Senator Ian Campbell in this debate. He purports that our position actually says we will give the commission the power to reinsert tallies. For goodness sake, why on earth would we have made the concession that we have forecasted in relation to our items 2 and 3, were that the case? That is just completely inconsistent, it is completely contradictory, and our position is quite clear on paper. What I am disappointed about is that, in good faith, the Labor Party presented the government and the Democrats with a potential win-win situation here. This is a sorry day for the new minister, because he could not harness it. He could not harness it, and now he has compromised the Democrats as well. He could not harness the potential to facilitate the flow-on of the tallies decision in the meat industry, because he has the opportunity to now pick and choose in industries in relation to what are allowable matters in the commission.

The Democrats, it appears, have made that fundamental concession: we will not just pick allowable award matters now; we will pick industries. Which industry is next? We have had the maritime workers. We have had the meat workers. We know what the government went through in the processes with respect to the maritime workers. Who is next and what will be the methods—and will the
Democrats continue to collude? This is the matter of fundamental concern.

But in relation to more detail, I want to pin the minister to some pretty significant issues. Matters of detail: will the minister please advise the committee on what basis he makes a distinction between tallies with respect to numerical counting and tallies with respect to pay systems? The common meaning makes no such distinction. So we would like to know the basis for which he purports to present that distinction today. I know that the department has been working on it late overnight, but I would be very interested to see it. When we had the hearings in this matter, at that stage the department purported to say tallies only applied in the meat industry.

There is another fundamental flaw in the government’s arguments here that they also need to address—and this is relevant for the Democrats as well. Senator Ian Campbell referred to tallies as currently used in the meat industry. There is nothing before us that indicates that the use of tallies in the meat industry is consistent across all awards. There is nothing before us that indicates that. And that is why it should be the commission that determines the flow-on of decisions like this. That is why the Democrats would not proceed with their amended amendment. Unfortunately I do not think that the Democrats comprehend the consequences of what it appears they have agreed to with the government in this matter. The consequences are on two levels: one is in relation to bargaining in good faith, and the second is in relation to what the government has proposed.

I understand that the Democrats have really only had overnight to consider the government’s proposals and I understand that the government has had quite a lengthy period of time with advice from the department on these issues—although it is astounding that the department has only just become aware of the incidence of tallies across federal awards. The Democrats do not have the level of resource or experience to know the implications of what they are doing. But, for goodness sake—go back to basic principles. Go to the act, open the act, look at section 89A and look at what you are doing. What you are doing is inserting in that principle of allowable matters for the first time—the very first time—a particular industry. There are no grounds for doing that; there is no basis for doing that.

Again, we had an opportunity to present to the government a position which was sensible, reasonable and pragmatic and which at the same time clarified law for the commission and their powers in relation to allowable matters. We do not think we can reinsert tallies in the meat industry; we know the commission will not do it. The concession we were prepared to make was to say that we will agree to the items 2 and 3 that I foreshadowed; and that is a pretty major concession in terms of the principles that the Labor Party supports—a very major concession. But there is no double dipping here, guys. You cannot make us make one concession and expect us to come back and breach a fundamental principle. In industrial relations law in Australia, we should not pick industries. Let the commission determine, let the commission have that power, and do not compromise the act further.

I conclude at this stage by going back to my point to the government: please illuminate for us this supposed distinction between tallies that utilise the notion of numeric counting and tallies that utilise the notion you are claiming with respect to pay systems. On this occasion, give us—as I had hoped you would on a previous occasion—some case examples. Surely the department is up to that. Illuminate us on how you believe this distinction operates—because I am nowhere near convinced and I am surprised that the Democrats are.

Senator HARRADINE (Tasmania) (11.26 a.m.)—I have listened to this debate and I want to follow Senator Collins, who has raised very serious questions about the allowable matters being subjected to, now, discriminatory treatment for or against one industry as against other industries. It seems to me quite clearly to establish a dangerous precedent, and I would like to hear the response of the government and the Australian Democrats. I cannot see—as, indeed, Senator Collins cannot see—that it is appropriate, proper or reasonable to adopt the attitude that
seems to have been adopted by the government and the Australian Democrats, that discrimination against a particular industry can take place. That seems to go completely against the principles that underpin the relevance of the Industrial Relations Commission and the concept of orderly industrial progress. As I said, I believe this is setting an unfortunate precedent and I will certainly be opposed to it.

**Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (11.28 a.m.)**—I am happy to respond. I have to say that I am confused by the ALP’s approach. For the first half of this debate in the second reading stage and the committee stage, we have had the ALP basically saying that the flaw in our policy is that removing tallies will affect all industries, and that it will affect shearers and everyone else. We have given assurance after assurance and, in fact, have indicated support for two of their amendments and support for a Democrat amendment, which make it quite specific—as the commission has done—that we are addressing tallies in common industrial usage in the meat industry. In fact, as I understand it, Labor’s amendments Nos 2 and 3 specifically do that. Now we are being attacked for ‘picking on’—and they are not my words; they are paraphrasing the words of Senator Cooney and others—the meat industry. You cannot actually have it both ways.

You cannot come into this place with credibility after the most recent Labor government—the political wing of the union movement government when Laurie Brereton was the minister—brought in the unfair dismissal laws. They made specific provisions in that act. Senator Harradine would remember that better than most because he took a very special interest in that legislation. In that act they used the trade and commerce power under the Constitution to a limited extent to give the commission additional powers in respect of waterside workers, flight crew and maritime employees. With the exception of flight crew, they were almost the exact industries that Senator Collins named.

The point I am making, Mr Chairman, is that the Labor Party cannot come in here and say that we cannot pick out specific industries, when the last time you time you were in power—with that genius Laurie Brereton as the minister—the then government in 1994 introduced regulations excluding from some termination remedies particular employees in the meat, building and maritime industries. Labour actively discriminated in relation to specific industries for what they would have seen—and what, as I recall, the Senate in its wisdom agreed with—as good reasons.

**Honourable senators interjecting—**

**Senator IAN CAMPBELL**—I have addressed those other issues. I do not intend to go through them. There is a fundamental disagreement here. All I find quite unusual, to be kind about it, is for you to spend half the debate saying you do not want this to apply to all industries and need it to be limited to the meat industry, then all of a sudden jump up and start thumping the table. You did not thump the table, to your credit, Senator Collins, but you appeared to get slightly more angry or anguished.

**Senator Jacinta Collins**—I am angry.

**Senator IAN CAMPBELL**—Or more passionate.

**Senator Jacinta Collins**—I am very passionate.

**Senator IAN CAMPBELL**—Which is a good thing.

**The TEMPORARY CHAIRMAN (Senator Murphy)**—I hope you are not endeavouring to reflect on the chair! You should get on with the job and debate the issue before the chair.

**Senator IAN CAMPBELL**—I am illuminating the chair. I am reflecting in the most glorious way.
Thursday, 1 March 2001

SENATE

The TEMPORARY CHAIRMAN—
Why don’t we just get on with the business before the chair?

Senator IAN CAMPBELL—Flattery is not getting me anywhere with this chairman. I do say very seriously that I find it very hard to understand where the Labor Party is coming from. They cannot spend half the debate saying that they want to restrict this to the meat industry and then come in when we find this thunderous agreement on it with them and say, ‘Hang on, now you are being discriminatory by restricting it to the meat industry.’ I think the points have been made by the government. You may disagree with our points but I think the debate has been had and it is probably time to now resolve the issues in a democratic fashion.

Senator MURRAY (Western Australia)
(11.33 a.m.)—Senator Harradine did ask for a response from both of us. Briefly, Senator Harradine did ask an important question as to a better motivation for the reasons for this. At the moment, section 89A(2)(d) of the act sets out the particular area of allowable award matters as dealing with piece rates, tallies and bonuses. That is a narrower range of items than if it included incentive based payments. The acceptance of incentive based payments by the government is a major win for industrial relations matters, in my view. In my view, and the view of my party, it considerably enlarges the opportunity for payments by results areas to be included in awards.

You say that, while the Labor Party have accepted that—and they view it as attractive—they wanted it to be unconstrained. The problem is that this particular bill deals with tallies and is trying to address tallies in the meat industry. Incentive based payments, if left without definition, would or could be construed as to include tallies in the meat industry as currently used. Therefore, we have to ask if that is a problem. The problem is that the Industrial Relations Commission has said that tallies are not consistent with the objectives in the act, particularly objective (a), which promotes higher productivity and a flexible and fair labour market. They say tallies are not in the interests of workers as well as employers and that any replacement incentive based payment scheme must meet the criteria of promoting higher productivity under section 3 and the efficient performance of work under section 88A.

Tallies, as used in the meat industry currently, are on their way out as a result of the AIRC test case. If we accept the Labor amendment, they will still be able to argue that they fall under the incentive based payments. It leads to considerable uncertainty in the industry. It is not a question of picking on the meat industry; it is a question of clarifying for the meat industry exactly what is open to them and what is not. What is open to them is incentive based payments but not tallies as currently operating in the meat industry.

We know that courts, if they have to deal with these things, do pay attention to explanatory memoranda and the debates and the motivations. We also know that their primary source is the statute, as Senator Cooney correctly outlined. This is an attempt to have a major win put in the act but to indicate clearly that it does not mean tallies as presently used in the meat industry. That is all. I think the Labor Party is taking a political point quite effectively, and is taking an extreme viewpoint, but that is unfair in terms of the motivation of the amendment and what has been achieved.

Senator JACINTA COLLINS (Victoria)
(11.37 a.m.)—I have been very careful not to reflect on the Democrats’ motivation in this matter. I have indicated concern that you have allowed yourselves to be convinced by the government to compromise what is, I genuinely believe, a very serious principle. The point I was trying to take you to—and I know that the Australian Democrats have other things on their minds at the moment—is that section 89A of the act relates to the principle of an allowable matter, which you and the government agreed to insert into the act. At that stage, that is a principle. I do not like it, but I accept that it exists at the moment.

I am trying to explain to you that you are taking things beyond that principle. You are now saying that we will adjust that principle to take away the discretion as it exists at the commission level. You and I both know that
the commission has made many decisions with flow-on implications across quite a number of different industries in relation to the application of allowable matters, but I ask you as a point of principle: on this occasion, with respect to meat, why do we need to insert it in the act? It is a bad principle. That was the concession we believed we had reached. That was the concession the government then proposed to undermine, and it is concerning that it seems they have successfully done so.

I know that your motivations here are genuine. I am not disputing that, and I am disappointed that you thought I might be indicating otherwise. But I think it is more than just a political point; it is a matter of good faith in dealing with these issues and simply accepting overnight, under the circumstances of what is occurring within your party at the moment, the government’s good faith on an issue like this. We went through this exercise with pattern bargaining. We know what the government’s advice was like on that occasion. Don’t rely on their advice on something like this overnight in the circumstances of what is occurring within your party. It leads to bad judgments, and that is what I genuinely believe is occurring here.

We are not saying that we compromise the commission’s decision in any way. If anything, the package of amendments that we proposed reinforced the commission’s decision in the meat industry and conceded, against a principle that I support, an accelerated implementation process imposed on the commission. That was a significant concession to achieve what we believe was in principle the right expression to go into 89A. That has now been compromised by the Democrats accepting the government’s proposal.

The government did not seek to discuss this issue with us. The government did not raise this issue with us. The minister here today has twice now avoided my questions on justifying how this distinction can be made. All we have had from the minister so far is that they believe there is a distinction when we are referring to tallies, which I remind you that they only discovered overnight in a number of industries. But now they believe that there is a distinction and that that distinction is based on a distinction between tallies relating to numerical counting and tallies relating to pay systems. For the second time, the minister has refused to answer how he believes that distinction works. I do not know that the government have an answer, and that is the really scary part of it. Equally, he has not answered that they operate consistently even in the meat industry. He has not addressed that matter either.

There are such huge holes in the government’s argument on this basis that it concerns me that the Democrats are prepared to write into a fundamental principle in the act in relation to allowable matters a distinction based on tallies in the meat industry. How on earth are the commission going to differentiate? They are going to say, ‘Okay, it’s the meat industry and it’s a tally.’ But how is that tally different to, say, a tally that operates exactly the same way in another industry? Do we just automatically exclude that also? The same principle is at stake here. Should we extend that principle? The proper place for this discretion in relation to allowable matters is the commission itself. We are not denying the decision that they made. We are not avoiding the decision that they made. For Christ’s sake, we were accepting the decision and joining with you in a flow-on process for it, quite contrary to our principles about how flow-on should occur in industrial relations matters.

The sad thing that this debate seems to indicate is that the Australian Democrats have simply accepted at face value the government’s arguments about tallies. They have convinced you to compromise a fairly fundamental principle in relation to how allowable matters are described in the act. When presented with the issues, it appears they are incapable—Senator Campbell might now startle me—of even justifying the distinctions that they are talking about regarding tallies. Let the commission deal with the incentive based payments they believe are appropriate and benefit the workers. The commission have already told us that they do not believe tallies, as they operate in one award in the meat industry, benefit the industry and
the workers. That is fine. Let them decide that in eight other meat industry awards.

We conceded a process with you so that that would occur in an accelerated fashion. But don’t let them compromise the principles associated with allowable matters. Don’t start bringing the parliament into situations where we legislate every significant commission decision because the industry wants to come knocking on the door of government, saying, ‘Hey, we want this sped up.’ That is a very bad principle for industrial relations.

I say to you genuinely, Senator Murray: I did not have a discussion with you on the government’s amendment. When I became aware of it, I sought to speak to one of your advisers and time constrained that opportunity. It is unfortunate perhaps that the only opportunity for this discussion has been in the chamber today. But I beseech you to not simply accept at face value what the government are putting to you on this occasion. You know from experience that we have, through the committee process, been able to demonstrate to you the flaws in their arguments. The evidence on this occasion has not been put. The government discovered only overnight the tallies that they have been denying exist in quite a number of awards. Now they put a reasonably limp argument that there are supposed distinctions in how they operate, but they have not demonstrated that. They have not given us one example of how these purported distinctions work. Senator Campbell referred to passion in this debate, but there is basic logic as well, Senator Murray. The government have not demonstrated their case.

Senator MURRAY (Western Australia) (11.46 a.m.)—I do not think it is right, Senator Collins—and we have a good relationship, so this is not a strong criticism—to talk about us accepting arguments on face value. Somebody could argue that we accepted on face value your arguments on union picnic days. We have made a consideration. Very briefly, let us recap. The consideration is as follows. If you just use incentive based payments, it could be construed to mean tallies. Therefore, you have to move on and you say ‘incentive based payments other than tallies’. If you say ‘other than tallies’, it includes more than the meat industry, and the purpose of this is to address the meat industry. Therefore, you have to say ‘other than tallies in the meat industry’. That is the logic.

Senator LUDWIG (Queensland) (11.47 a.m.)—The debate seems to have slipped into a persuasive argument. Let me add to that persuasive argument in two parts. The debate that has just been put to us from Senator Murray, through you, Mr Temporary Chairman, seems to centre on how a tally is going to be defined and how it is then going to be interpreted. The problem that we also have is that this is not going to happen in a vacuum. The commission is not going to consider it on its own. The commission is not going to consider it without parties putting alternative views before it. But adding the words ‘other than in the meat industry’ at section 89A(2)(d) does not provide the safety net that is provided in section 89B and also might not be able to give comfort as to why it could not be put in 89A and why it could exist in 89B. Section 89B(4) states:

(4) If the Commission varies an award under subsection (1) or (3), it must include in the award provisions that ensure that overall entitlements to pay provided by the award are not reduced by that variation ...

So there is a safety net provision that at least the employee’s working pay will not be reduced as a consequence. But in subsection (2) in your amendment, there is no such safety net provision. If we concentrate for a fraction of a second on the employee at the end of the line in a meat processing plant—and, of course, the meat industry is a bit broader than just that—there is no argument that they could as a consequence have reduced pay or conditions if they cannot access an incentive based payment system whereas, under 89B, they still could.

I hope you have had the opportunity of reading the Federal Meat Industry (Processing) Award decision by Justice Giudice, Justice Munro and Commissioner Leary, because it is illuminating in a couple of respects. If you have not already read it, I will not take you to the provisions, but I am certainly open to a correction from the government’s side. In summary, they found that
tallies, by and large, in that industry were not being adhered to as they should have been in terms of appendix 3 under that award. It ranged into a whole range of differential tally systems and tally systems themselves had got, in some respects, a little out of date. The industry had moved on. It had moved from saws and knives to air operated secateurs and the like. So part of the industry had also recognised that and had introduced different incentive based payment systems—still called tallies, because that seems to be traditional within that industry, as it is traditional within other industries as well.

They recognised that appendix 3 under that award needed change but they found that it was not a case of looking under the 89 exclusory provision, as was argued by the employers. They found that it was perhaps more of a general power—they could then say that this was an issue that needed to be dealt with. By that example, the commission has very broad powers to stretch across a whole range of work to find appropriate solutions. But it can do that because it has the latitude to be able to effect that. The problem that I perceive in your amendment, Senator Murray, is that it narrows the commission’s power to such an extent that, in that industry, it may not have the latitude to be able to bring about the changes that it has set in train.

The changes that it has set in train will come back before Commissioner Leary in April this year. This is an industry that started with a very fixed position about tallies. It seems that the employers managed to convince the government of the day to deal with tallies. They had already started to deal with them but things have been very entrenched. They have gone to the extent of going to the full bench of the commission—to the president, no less. Both sides have been very fixed about how they are going to progress the industry. A lot of other industries, in moving forward under these provisions, moved away from the award proper and went into consent or certified agreements. But not this industry. It has remained a hard fought battle to have change brought about in this industry.

Senator McGauran—I am glad you admit that.

Senator LUDWIG—I think that is clear. I will take that interjection. If you have conditions that you have held on to and dearly wished to maintain them, you would not let them go. Similarly, the employers have wanted changes—I did not say positive changes—and they have spent, I suspect, a considerable amount of money seeking to have those changes made. What you then open up in your amendment in No. 2 is the ability for employers to open up another front. Employers may find another bucket of money to pour into this industry—which is an export industry valued by Australia—so they can concentrate on industrial relations over a provision that has been amended and placed in 89A(2)(d), rather than getting on with the tasks they have set.

The commission has already come to a concluded view about how to deal with it and the industry is moving on. I suspect if you open up the argument again and allow a chink, you might find either the employers or the unions seeking to leap into it and spend a whole raft of time and money in saying, ‘We can avoid the direction that we are currently proceeding down.’

The other issue of course is whether or not it affects other industries. The commission, as I have said, do not determine these things in a vacuum. They go back to principles. They do not necessarily have to go to extrinsic material contained in second reading speeches or in debates if the language is plain. If the act or material before them is plain, they do not need to resort to reading the transcripts of what has transpired here today to determine what it means.

The issue that Senator Campbell has raised—and I think that was probably in response to an earlier argument that I put—is that ‘tallies’ has a usual definition or expression in a range of industries which is peculiar to those industries. But, similarly, that can be picked up from industry to industry and carried about. Employers and sometimes employees can agree that a certain method of remuneration, based on both the number and the rate of pay that would attach plus the hours of work, is a tally system. I do not
know how Senator Campbell can say that a tally system is a numerical system and differentiate it from a payment system. I am a little bit perplexed at that, as Senator Collins is. I really do await an explanation as to how that would occur. Perhaps an example would be good. If we had a hard example it might at least help us in that.

Senator Jacinta Collins—There are at least 20.

Senator Ludwig—I am sure.

Senator Jacinta Collins (Victoria) (11.56 a.m.)—I ask the minister if he is actually going to answer the questions that I put to him about where tallies actually apply? It is the third time that I have had to hit this issue. I know the information is available to the government. I know the department has become aware of information that was not made available to us when we had the Senate committee consideration of the bill and I ask for it again. The minister makes a distinction between tallies operating as numerical counting systems as opposed to pay systems. Where is the justification for that distinction?

The Temporary Chairman (Senator Murphy)—The question is that the amendment moved by the opposition to the amendment moved by the Democrats be agreed to.

Senator Jacinta Collins (Victoria) (11.57 a.m.)—The minister may be seeking advice, although he does not appear to be talking to the department, so perhaps that is not the case. It appears that he has decided not to justify this distinction he purports to make, which I think actually leaves the department in a very embarrassing situation. They have obviously given the government advice on a distinction that they think is relevant. The government is not able to justify the distinction that Senator Campbell referred to. I suppose that not only is this a big vote of no confidence in the department themselves—if they cannot justify the distinction that they are giving the government—but the problematic part is that the Democrats, in attaching themselves to the advice that has been passed on to them and not to us, seem to become complicit in the vote of no confidence in the commission. That is the principle that is being undermined here.

Let me, for the benefit of the committee, give two employer perspectives on this matter. One is from a major industry group across industries. Essentially, their view is that this is a second order issue. I suppose then you might say that, if it is a second order issue, why start compromising significant principles in dealing with it? That is where their solution is extraordinarily problematic.

Another employer perspective that I think is very useful came from a participant relevant to the meat industry. When I pointed out to him in discussions that, if the government accepted the original Democrats amendments, he would have a solution to the situation so why was he visiting me, the response was, ‘Because we want to start operating in a bipartite fashion.’ By ‘bipartite’ he meant between the two major parties in industrial relations. That is the saddest component of this exercise. The new minister had that opportunity. The department and the government cannot justify the basic distinctions they have made in the operation of tallies. For perhaps political reasons, the government has been able to convince the Democrats, but it has not convinced us here today. The government has not given us one case in which it thinks it can uphold that distinction. It reflects very poorly on all involved and will probably disappoint the very constituency that the government is trying to work for.

Yes, employer representatives in the meat industry will get an accelerated flow-on of the decision—which they probably had anyway—but they have lost the opportunity for a bipartite approach and good faith amongst the parties in dealing with industrial relations. That opportunity was available to the new minister, but he has lost that chance. Unfortunately the Democrats—I am not commenting on motivation here—have become complicit in the process, which is further undermining the act.

I encourage anybody listening to this debate to go to section 89A and see what the section as a whole does. It does not pick test cases or industries. For heaven’s sake, what
are we encouraging here? We will have poor government in the future because the act will not reflect principles; it will reflect adhocery. This time it is the NFF. The minister did not purport to achieve his ends in the maritime dispute through the act itself, but maybe he will try it that way next time—‘What industry or section will we pick next?’ The commission has a process. It makes test case decisions, and they flow on. Let nobody be confused. The commission said, ‘Tallies in the meat industry are part of a broad generic group of incentive based payments. We think that in the meat industry they do not work to the benefit of the workers or the industry, and we have determined the matter.’ The Democrats and the government seem to be placing a big vote of no confidence in the commission.

The Democrats and the government seem to be placing a big vote of no confidence in the commission. Labor foreshadows that it will probably lose this debate, but I again beseech the Democrats: I do not think, politically, this is the time to compromise yourselves. I think this is a very bad political choice for you. If on rational grounds you cannot see the error involved here, at least see the error on political grounds. I am astounded that that has not occurred to you. But it may occur to some of you; we do not know. The Democrats have split on issues before. They split on some of the industrial relations issues in the first wave. The Democrats split on the GST. Will they now be popular if you start saying, ‘We’re going to pick and choose industries as well’?

Senator McGauran—Thank Cheryl Ker- not for her support in the first wave.

Senator JACINTA COLLINS—Yes, we know that history, Senator McGauran, but I am talking about the Democrats today and about the issues confronting the Democrats today. I would have thought the last thing the Democrats wanted today was to be seen in a deal that they could not rationally justify—which they cannot, because the government will not answer basic questions about tallies. I would have thought they would not want to be seen in that situation. Senator Murray, I again beseech the Democrats to reconsider this situation. You indicated to me earlier that you would hear the debate and make up your mind from there.

Senator McGauran—He’s listening.

Senator JACINTA COLLINS—Yes, you are right, Senator McGauran. My point exactly: it has been a predetermined matter. There have been some problems of good faith here as well. Senator Murray referred to the fact that we have a fairly good relationship. That is why I have been very gentle when raising concerns about what I think is a breach of faith in this matter. But the Democrats are not listening. The government has not given them any way to rationalise their case. They have compromised fundamental principles in allowable award matters. Politically, I think that will reflect badly on them. They have the problems with the GST at the moment. The situation here is that the government cannot justify its treatment of tallies.

In his contribution, Senator Ian Campbell said that the Labor Party had made distinctions. But we have made distinctions with a principle. The principle was that the legislation would affect industries where the national interest was significant—the national interest in terms of how industrial matters are managed. That is a longstanding industrial relations principle. It has been in place since the act first came into existence. I agree with Senator McGauran: the future of the meat industry is very important. The productivity in the meat industry is very important and should be a matter of targeted attention by the parliament, but not in this way.

Equally, you would not want to start dealing with other industries this way either. You cannot argue that legislation of this nature is necessary in the national interest. It is not consistent with the precedent in this area. I have given Senator Ian Campbell the example of why Labor in the past has made distinctions with respect to industries. But the more alarming example is that the distinctions this government have made with respect to industries have been for things like the maritime awards—that was obviously very unpopular with the Australian public. Now there is the meat industry. Let us con-
Consider some of the other examples. I wish Senator Carr was here to talk about what has been going on in the meat industry—the extended industrial relations disputes that were encouraged by the previous minister locking workers out of meatworks for months and months on end. That is one, but it is not the only one, Senator McGauran.

Senator McGauran interjecting—

Senator Jacinta Collins—Yes, and the commission determined the issue. That is the appropriate place, not the parliament. I provided the committee with the principles we utilised in relation to distinctions that Labor may have made in the past. The only principle that Senator Campbell has sought to illuminate to us has been this distinction he claims exists amongst tallies across all industries between numerical counting and pay systems. It is still very confusing. Senator Ludwig, you have had experience with tallies across a number of sectors, is this distinction confusing to you?

Senator Ludwig interjecting—

Senator Jacinta Collins—It is a new distinction. We have had no previous evidence on this issue and, unfortunately, the minister cannot justify it. He cannot justify the basis of the distinction so I fail to see how on earth the Democrats have been convinced. That becomes a particular problem if one side of the equation has a lot more money than the other side. I am not saying that employer groups are bad. In fact, I am saying they are good, because I think you ought to have organisations. But if one side is loaded up with money and the other is not there will be unfairness. That is something I do not think the Commonwealth department that has been instructing the parliamentary secretary ever takes into account.

These days, industrial relations is conducted in a way that is very expensive unless, of course, you have some industrial strength. In fact, the sorts of groups that do succeed are those that have industrial strength. That has always been so and it is the way today. I was thinking about how successful some campaigns have been that were conducted in Victoria in recent times. The problem with this whole argument is that we are trying to adjust results in the industrial relations area that should be left very much to the parties themselves to proceed, either by way of agreement or by way of awards, or in some other way. One of the great disasters that has occurred in the field of industrial relations is the attempt by this government to interfere in the natural give and take of the workplace. What we are talking about now is a great example. People are talking about tallies. I have spoken to Senator Ludwig—a man who represents, if you like, the system as it ought to work—about how there ought to be proceedings before the commission and proceedings by way of being taken to the field. I am not saying he took people to the field, but that is the way through. But as soon as this sort of legislation comes forward, as soon as we start getting discrimination and as soon as we start having people who do not know enough
about how industrial relations really works doing things, there are real problems. And so you get your Wodongas, your Graftons, your Camperdowns and so on in the meat industry. It just is a terrible pity.

Senator LUDWIG (Queensland) (12.14 p.m.)—I still have not heard a response from Senator Ian Campbell in relation to the matters that I have put. It appears that he is not going to give me an answer, and I am a little disappointed about that. But I can perhaps get an opportunity to deal with that over the next couple of years.

I wish to bring to the attention of the government paragraph 150 of the federal meat industry decision—a decision I referred to earlier today. What concerns me most, amongst the other matters that the Democrats and this government seem to be supporting, is where they say ‘other than tallies in the meat industry’. Notwithstanding the definitional problem of where the meat industry starts or stops, as I understand it, the argument with respect to tallies is that tallies are bad and should be taken out of the meat industry. But the commission recognised in paragraph 150:

We were told that some tally provisions have been updated and are not subject to the deficiencies identified in this application. Where it can be demonstrated that this has occurred and that the provisions are in active use, the case for deletion of the provisions might not be compelling, depending upon the circumstances overall.

So we also have a provision where the commission has identified that tallies in the meat industry may still be relevant, may still be in active use and still being dealt with. In paragraph 149 the commission identified that there were another 19 awards in the meat industry identified as having the word ‘tally’ within them.

The industry, if they were following the processes of the commission, were aware that at some point the commission would review and bring them to task and account as to whether the tally provision that they have, and which is in active use, is deficient or whether it can be sustainable in a modern meat processing plant—in other words, whether it meets all the relevant tests that the commission has laid down. And of course they would want the opportunity to do that, even the employers within the industry might want the opportunity to do that, if it is a modern, relevant provision. But, by the adoption of Democrat amendment No. 2, they do not get the opportunity to do that. You then force an industry or a company that has a tally system and which is operating effectively within the meat industry—which could exist, as we have been led to believe by the commission’s decision—to spend more time and energy, and money, I suspect, to pay for consultants and lawyers, to look for alternatives to the tally system because Senator Murray has decided to knock it out.

The CHAIRMAN—The question is that opposition amendment No. 1 to Democrat amendment No. 5 be agreed to.

Question put:

The committee divided. [12.21 p.m.]

(The Chairman—Senator S.M. West)

Ayes………….. 28
Noes………….. 41
Majority……… 13

AYES

Bishop, T.M. Brown, B.J.
Buckland, G. Campbell, G.
Carr, K.J. Collins, J.M.A.
Cook, P.F.S. Cooney, B.C.
Crossin, P.M. Crowley, R.A.
Dennan, K.J. Evans, C.V.
Forshaw, M.G. Gibbs, B.
Harradine, B. Hogg, J.J.
Hutchins, S.P. Ludwig, J.W.*
Landy, K.A. Mackay, S.M.
McKiernan, J.P. McLucas, J.E.
Murphy, S.M. O’Brien, K.W.K.
Ray, R.F. Schacht, C.C.
Sherry, N.J. West, S.M.

NOES

Abetz, E. Alston, R.K.R.
Bartlett, A.J.J. Boswell, R.L.D.
Bourne, V.W. Brandis, G.H.
Calvert, P.H.* Campbell, I.G.
Chapman, H.G.P. Coonan, H.L.
Eggleston, A. Ellison, C.M.
Ferguson, A.B. Ferris, J.M.
Gibson, B.F. Greig, B.
Herron, J.J. Hill, R.M.
Kemp, C.R. Knowles, S.C.
Lees, M.H. Lightfoot, P.R.
Senator JACINTA COLLINS (Victoria) (12.25 p.m.)—by leave—I move oppositions amendments (2) and (3):

(2) Schedule 1, item 3, subsection 89B(1), after “tallies”, insert “in the meat industry”.

(3) Schedule 1, item 3, subsection 89B(2), after “tallies”, insert “in the meat industry”.

The opposition foreshadowed in the earlier debate these two amendments, (2) and (3) on sheet 2132, and I have put our position fairly clearly. We had proposed a package of amendments to the Democrats and we had indicated to them that we believed we were making a fairly significant concession in relation to our moving, as I am now doing, items 2 and 3. I want to put very clearly on the record that the concession we were making here was compromising the principle that the commission itself should determine flow-on matters of test case type decisions. But we accepted that the Democrats appeared from their amendments to be accepting the government’s position that the parliament itself should intervene and prod along the commission that they have so poorly resourced over time. So the parliament says to the commission, ‘On the one hand, we want to prod along your processing of matters but, on the other hand, we are not prepared to give you adequate resources in order to deal with industrial matters in our federal system.’

Senator Murray has himself expressed concerns in the past about the level of resourcing at the Australian Industrial Relations Commission. I reiterate and join with him in those concerns. In presenting this package to the Democrats, we conceded and accepted that the Democrats had accepted the government’s position that they should prod along the commission and flow matters on. But we also pointed out to the Democrats that there were flaws in their proposal in that it did not seem to contain the matter sufficiently to tallies in the meat industry. So we proposed the amendments we have put here to insert, after tallies, ‘in the meat industry’. Despite my comments about dealing with these matters in good faith, we still believe that, if this matter is going to proceed, the Democrats amendments need to be targeted solely at the meat industry. In part, I suppose, I was surprised that when the Democrats amended their amendments they did not actually incorporate that criticism because, as I understand, they accepted the argument that these matters do need to be clearly contained to the meat industry.

Having lost amendment No. 1, which the opposition had presented to the Democrats as part of a package position involving a concession regarding amendments Nos 2 and 3, we are now left in a somewhat strange position where, for the public good and to ensure that a bill we are now likely to lose our position on proceeds in the most efficient manner, we still need to proceed with the matters in the package that we had discussion with the Democrats on. So I am moving amendments Nos 2 and 3 on that basis and await either hearing confirmation, or for the vote to determine confirmation, of what had been discussed on this matter in the earlier debate.

Senator MURRAY (Western Australia) (12.29 p.m.)—For the benefit of the Senate, I indicate that the Democrats will be prepared to accept amendments Nos 2 and 3 on that basis and await either hearing confirmation, or for the vote to determine confirmation, of what had been discussed on this matter in the earlier debate.

Senator CARR (Victoria) (12.29 p.m.)—I am pleased to hear that the Democrats are accepting Labor Party amendments Nos 2 and 3, and I would like to speak on these amendments. I was unfortunately not able to join in the discussion on the previous amendment because I had Department of the Senate surveyors with me. Obviously, I was required to participate in that survey and, once started, I was not able to extract myself...
in the way I would have liked. I heard Senator Cooney talking about his experiences within this industry and responding to Senator Murray's views on the relationships that have developed in the industry. Like Senator Cooney, I too have strong links with people in the industry. I have had the great fortune to receive their advice over many years and the great opportunity to listen to them telling stories of their work and what life is actually like in this industry. Most people, I am sure, would be shocked to hear these revelations about the conditions in the industry. I have had the opportunity to visit the odd abattoir and to speak to people who actually work in the industry directly, not just their union representatives. It is a very harsh industry.

Senator Cooney—And people have been thrown out of work.

Senator CARR—Senator Cooney draws to my attention the fact that people have been thrown out of work. Part of my work as a senator is to service constituents who work in the industry or would like to work in the industry. The problem is that the employers in this industry are quite often able to inflict the most brutal treatment upon their employees in a manner which disgusts me. The way that some Australians treat other Australians in industrial relations is nothing short of a disgrace. The way this government protects those employers—and I am afraid the Democrats seek to provide comfort and assistance to this government on these matters—is, frankly, a disgrace. We have had a long series of complaints about employers in the industry which quite literally go to issues of a criminal nature. To suggest that the problems in this industry can be laid solely at the door of the Australasian Meat Industry Employees Union is just completely wrong. We have had circumstances in my state where workers have been locked out. Some of the longest lockouts in the history of this industry have occurred in recent times. This is the political climate we are now operating in.

Senator Murray, when you are offering support and comfort to this government, perhaps it would be helpful if you were able to talk to people directly involved in this industry. Talk to the workers down at O'Connor and find out what has actually been going on. In recent years, various disputes have occurred at Mt Schank, Portland, Wodonga, Camperdown and in the Western District of Victoria at Ararat. Employers have used scab labour, lockouts and violence and have been supported by the battery of crook lawyers who are prepared to use the courts in a most unAustralian and, as far as I am concerned, quite unconscionable way. They are the same people who are prepared to use the industry as a vehicle for securing ill-gotten gains, through criminal means on occasions, and we have a government which is prepared to defend those people. Then we are told that the problems in the industry come down to a political incentive payments arrangement.

This discussion today is about trying to minimise the harm that the government is trying to inflict upon Australian workers. Our concern here is that the way the meatworkers are treated is not extended to other workers. I know that the meatworkers are more than capable of defending themselves and have done so for many a generation in this country. They have seen 30 per cent of their number lost from the industry. They have seen quite savage assaults on their wages and conditions. They have seen circumstances arise where governments have done the bidding of crook employers in an attempt to punish the good employers. They are giving aid and comfort to the crook employers who then undermine those good employers who are prepared to engage in proper industrial relations practices and pay decent wages and conditions. Those good employers are being undermined by the crooks who produce product at much cheaper rates because they are using cheap labour, often in circumstances which, as I said, ought to be the subject of serious police action.

This issue about tallies touches a very raw nerve, because the attempt to portray this industry as having problems caused by organised labour is completely off the beam. Senator Murray, I must say to you that I am disappointed, because you claim to bridge the gap between capital and labour in this country. But you fail miserably in that task because you do not understand the simple
facts of economic and social life in this country, where the very powerful, particularly in rural communities, have access to advantages, privileges and resources that the less powerful do not have. In fact, the only strength they have is their capacity to organise industrially and act collectively. They seek support through the labour movement politically, but industrially it is their capacity to deliver on the ground that protects their wages and conditions—often against politicians who seek to undermine their livelihood. Senator Murray, I am very disappointed that you have failed to actually go to these people and talk to them; instead you have just taken the views of this government and the employers, who are often the worst employers in the industry, who want to take advantage of their temporarily strengthened position within this industrial relations climate they currently have.

The tallies issue itself will not be solved by this legislation. The incentive payments system will survive whatever the government seeks to do. It is embedded in the industrial relations agreements, and it will be embedded through the Industrial Relations Commission. The government’s attempt to load these various measures onto the commission without providing them resources or the capacity to deal with them is another part of its general strategy, in my opinion, to strip workers in this country of their capacity to seek justice through the legal system; therefore, they will be forced to take up these issues in the field. I am sure that is what this will come down to: who has the strength in the field? You will find that a government that is seeking to destroy labour and destroy conditions under which workers work will in fact produce circumstances where the level of industrial disputation, the level of misery and the level of social suffering will increase through the pig-headed attitude of a few ultraliberals within this government, aided and abetted, unfortunately, by their allies in the Democrats.

Senator COONEY (Victoria) (12.39 p.m.)—I would like to add to the very eloquent words of Senator Carr. Senator Carr raised earlier this morning the issue of what will happen in the field. This issue is not going to be confined to this industry; I think the building industry is going to be targeted here. Once strong representation in the building field is lost, then you are going to have people killed—for example, people working on scaffolding that is not properly put up. People are going to be cheated of their wages. Look at the recent example of people brought out from India who were put to work for years at a wrong wage. Who got onto that? It was the union that got onto that. Another example was in Melbourne, where the building section of the CFMEU, led so well by Martin Kingham, have got proper wages and conditions only through strength. As Senator Carr has said, if this is allowed to go on the lesson is that unless it is done in the field people will not obtain what they are after—will not obtain justice.

When you say let us have an umpire, let us have a commission, and then you nobble the commission in such a way that it is not able to make the awards that people might want made, then you are in trouble. Then the direction is: go to the strength. Go to your union. Go to the field. That is what goes on in this situation. I join with Senator Carr in saying that this matter ought to be looked at very carefully, re-examined, and people ought to work out just exactly where they want to go.

The CHAIRMAN—The question is that the amendments moved by the opposition to Democrats amendment No. 5 be agreed to.

Question resolved in the affirmative.

The CHAIRMAN—The question now is that Democrats amendment No. 5, as amended, be agreed to.

Question resolved in the affirmative.

Bill, as amended, agreed to.

Bill reported with amendments; report adopted.

Third Reading

Motion (by Senator Ian Campbell) proposed:

That this bill be now read a third time.

Senator JACINTA COLLINS (Victoria) (12.43 p.m.)—It is appropriate at this third reading stage for me to confirm or to clarify the Labor Party’s position in relation to this
Workplace Relations Amendment (Tallies and Picnic Days) Bill 2000, given some of the prior debate. The Labor Party will be opposing the third reading and opposing this bill.

The government had an opportunity, as I have already indicated, to have a bipartite or tripartite arrangement in relation to tallies and the implementation of the meat decision by the commission. The government have now missed that opportunity. The Democrats, as I have already said, have badly compromised themselves, both politically and rationally, in accepting what was fly by the seat of your pants advice by the government, by the department, in this area. The committee stage of this debate highlighted that the government were not in the position to rationalise even some of the distinctions that they tried to carry between tallies in one sector and another. They have this new development almost overnight that tallies actually do exist, as I understand it, in at least another 20 awards aside from the meat industry. They have given us this pseudo distinction, which they cannot rationalise or justify by one single case example. Not one single case example could the minister offer us in this debate!

I need to go back to the issue of the nature of the discussions in the outcome that is finally presented to us here. The Democrats made a genuine attempt to improve what was a reasonably worthless bill. We had discussions with the Democrats in relation to their amendments and, believing that we had made a significant improvement to allowable matters, we conceded in our amendments that their suggested process should be improved.

The ACTING DEPUTY PRESIDENT (Senator Ferguson)—Order! Senator Collins, the time being 12.45 p.m., the debate on this bill is interrupted.

GENETICALLY MODIFIED CROPS

Suspension of Standing Orders

Senator BROWN (Tasmania) (12.45 p.m.)—Pursuant to contingent notice, I move:

That so much of the standing orders be suspended as would prevent Senator Brown moving a motion to provide for the consideration of a matter, namely a motion to give precedence to a motion in relation to genetically modified crops in Tasmania.

The proposed motion calls on the Senate to condemn the failure of the government and the Gene Technology Regulator to monitor and safely control 58 sites in Tasmania of genetically modified crops by foreign companies Aventis and Monsanto. It calls on the Minister for Health and Aged Care to provide the Senate by the next sitting day—that would be Monday—with an explanation for his failure and details on: (a) what prosecution or other legal action is being taken; (b) what urgent moves have been set in train to contain the spread of genetically modified material within and beyond the 100-metre buffer zone for the crop areas; (c) when and how the minister was informed, and when and how he reacted; (d) the potential damage, direct and indirect, to Tasmania’s agricultural sector and particularly to its growing organic produce sector’s wellbeing; and (e) all approved current and previous GE sites in Tasmania.

Senator Ian Campbell—Mr Acting Deputy President, I raise a point of order. Although it is not in the standing orders as such, it is a long-held agreement which has never been breached in at least the last seven or eight years between all senators that, between 12.45 p.m. and 2:00 p.m., we will have no matters of contention that would require a division or a quorum. Senator Brown did approach me earlier in the day about bringing this matter on after the consideration of the tallies legislation. That obviously took longer than any of us expected and, I think, longer than Senator Brown expected. Could I suggest that, if we want to seek to suspend standing orders, we uphold the agreement for a time that is fairest to all senators—who would have acted on the presumption that that protocol would have been upheld and who may well have left the building. If you want to seek to suspend standing orders, we can do that—

The ACTING DEPUTY PRESIDENT—Senator Campbell, I am being very tolerant but I think you are actually debating
the motion rather than taking a point of order.

Senator Ian Campbell—I know. It is the only way I can deal with it. This a genuine problem we are trying to deal with. I could of course have sought leave, but it is hard to interrupt when a senator is speaking, and taking a point of order is the only way to do that. I know that it is something that Senator Brown from time to time would do as well. But I would implore him to consider perhaps delaying this until straight after question time.

The ACTING DEPUTY PRESIDENT—Senator, there is no point of order.

Senator Brown—I hear what the government is saying on this matter. As far as the vote on the matter goes, I will listen to what other members have to say. I do not want to have a vote in a situation where there may be some senators missing. However, I think we will very rapidly see what the Senate’s determination will be on the matter, and the government will be able at that point to make a judgment as to whether a vote should be held over or not and whether it is going to be germane to the outcome. Yesterday, the news was that there had been 58 crop trials of genetically modified organisms in Tasmania in the years 1997 to 2000 and that these were unknown to—

The ACTING DEPUTY PRESIDENT—Senator Brown, I hate to interrupt: I understand that you were moving the suspension of standing orders, but you are currently conducting a debate and not confining your remarks to why standing orders should be suspended.

Senator Brown—I am addressing that matter, Mr Acting Deputy President.

The ACTING DEPUTY PRESIDENT—Continue, Senator Brown.

Senator Brown—Thank you. I am pointing out, Acting Deputy President, for your information, why this matter is urgent and should be dealt with expeditiously and certainly should be dealt with today. The news of these 58 crop trials and the fact that they were (a) secret and (b) unsupervised has been a bombshell in Tasmania. It has drawn into question very seriously the inability of the minister for health and his Interim Office of the Gene Technology Regulator to control the crop experimentation by the multinational corporations—on this occasion, Aventis and Monsanto—in Tasmania. There are enormous consequences of that. These include the potential spread of the genetically modified component of the canola crops that gives poison resistance to those crops and therefore to the brassica weeds related to those crops in the near environments, and its possible release into the environment.

There are further consequences: adjacent farmers do not know whether their seed from non-GE crops has been contaminated. The organic industry in Tasmania will not know whether, as a consequence of the spread of these genes, it will not have been contaminated—because it is not a 100-metre buffer zone, as the Gene Technology Regulator says, that is at risk here: it is many kilometres from the spread of pollen that affects the farmlands.

The minister, Dr Wooldridge, has a lot to answer for here. This proposed motion is to get information as expeditiously as possible back to the Senate by Monday on his role and on the apparent negligence of the Gene Technology Regulator in not being able to prevent the potential spread of genetic technology and in her own lack of active concern when she says that ‘while the breaches are disappointing, they represent negligible risk to human health and the environment’. That is totally unacceptable. The situation is outrageous. It has grave economic as well as potential health consequences for Tasmania, for consumers and farmers alike. It is a major issue and it needs addressing rapidly. I urge the Senate to support this motion as a means of getting this recalcitrant minister into a state of action, even after the damage has occurred through his inaction in the past.

Senator Ian Campbell—Very briefly, Mr Acting Deputy President: we will be opposing this. I did, by abusing the procedure of seeking to take a point of order, say to you and the chamber earlier that there
has been a protocol agreed in this place—and it has been in place for many years now—that, between 12.45 p.m. and 2.00 p.m. on a Thursday, matters that do not require a vote are dealt with. Indeed, there is also an agreement between all parties—that means every senator in this place, not just the major parties; it includes the Democrats’ leadership and whips, the Australian Labor Party’s leadership and whips, the Greens and other parties—that that would be the case.

This is a very important issue, it is an issue that this chamber should deal with, but it really is entirely inappropiate that a matter like this should be dealt with at particularly this time. Even if you accept that it is more important than every other issue that this Senate may need to deal with this day—and Senator Brown makes that contention—you cannot accept that it is fair to our colleagues, regardless of their views on any issue or of what party they are in, to suspend standing orders when senators have been able to act on the reasonable belief, and almost firm belief, that no divisions and no quorums will take place at this time.

Mr Acting Deputy President, I try very hard to ensure that even the wishes of minorities and independent senators, such as Senator Brown, are accommodated when it comes to managing the program. You can only manage the program with agreement between the major parties, their whips and their leadership, and you do need the agreement of all senators. You need Senator Brown to agree, otherwise he can make life very untidy for us: he can keep calling quorums and divisions and not giving us leave to do things. It does require consent and consensus to operate this place. I think we all have to respect that. It is very unfair to all colleagues to bring on a matter like this at this time on a Thursday.

For that reason—and it is the only reason you need—this is an entirely inapppropriate time to seek to suspend standing orders. It is an abuse of the trust that exists and needs to exist between all senators to make this place operate. I think, firstly, that Senator Brown should not have sought to suspend standing orders, because it puts all of us into a particularly uncomfortable position. But, regardless of that, we will oppose the suspension.

Senator O’BRIEN (Tasmania) (12.55 p.m.)—Everything happens at once in this chamber, Mr Acting Deputy President. I have just had a quick chat with Senator Brown about this matter. I have indicated to him that our understanding was that he would seek leave to move this motion in the way that motions are moved with formality through this place—just as a motion was moved this morning by leave and passed, as happens in this place quite regularly. So that was our understanding of what would take place with this motion, and I can indicate that the opposition is happy to support this motion. I spoke with the government and the understanding that I obtained from that discussion was that the government were not going to deny leave and that the matter could have been dealt with formally. I am happy to be contradicted if I have misunderstood its position. I have no advice from the responsible shadow ministers as to supporting a debate on this matter at this time. Indeed, it would not be convenient, because the responsible frontbenchers who would take that debate are not necessarily available at this time. For that reason, we will be opposing a suspension. But we do suggest that, rather than this matter going to a vote, Senator Brown withdraws his motion and seeks leave. As I understand it, leave will be granted and he can then move his motion.

Senator Ian Campbell—We would not grant leave. I have told Senator Brown that. He said he wanted to suspend standing orders—

The ACTING DEPUTY PRESIDENT (Senator Ferguson)—Order!

Senator O’BRIEN—I am sorry. I just asked you earlier, Senator Campbell, and I really did gain the impression that you would have granted leave. That being the case, I suggest that this matter not proceed at this time. I think Senator Brown ought to consult further before proceeding down this path. Unfortunately, I am not in a position at this time to say that the Labor Party would support a suspension. This position may change at another time of the day, but we would not support the matter now.
Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (12.58 p.m.)—On behalf of the Democrats, I also want to indicate that we are very supportive of the content or the substance of the proposed motion. We have held long concerns about the biosafety procedures that operate in Australia, and I think what has happened in Tasmania is a grave illustration of some the deficiencies in the regulatory regimes that operate. I understand the government’s and the opposition’s wariness or concern in relation to the timing, especially when we do have a protocol that there be no divisions held during this particular time for debate. But, given that everyone, including Senator Campbell, has indicated how important this matter is, I am sorry that we cannot deal with it forthwith. I want to make very clear for the record that the Democrats support the proposed motion. I do not think it is appropriate that we need to suspend standing orders through a division. I will leave it up to Senator Brown as to whether he wants to continue with the suspension or whether he should take the advice of Senator O’Brien. I am not sure whether this will assist things, but I would like to seek leave to continue my remarks when this matter is referred to at a later hour, if that is appropriate.

The ACTING DEPUTY PRESIDENT (Senator Ferguson)—Senator, you cannot, on this motion, seek leave to continue your remarks.

Senator STOTT DESPOJA—Thank you, Mr Acting Deputy President. I am glad for your advice on that. But I wonder whether the government can perhaps explain how it would care to proceed with this matter, given that Senator Campbell has indicated, at least across the chamber, that he is not keen to grant leave. I indicate that, in that case, the Democrats would support the suspension, with some reservations because of timing and procedures. But through you, Mr Acting Deputy President, to Senator Brown: I hope you will consider the suggestion put forward by the opposition.

I look forward to a debate where we can expose some of the problems with the regulator and expose the fact that the genetic engineering free status of Tasmania has been put in serious doubt as a consequence of trials that are not only secretive but potentially dangerous. That is why all along in this debate, especially in the debate concerning the Gene Technology Bill 2000, we have argued not only for accountability and transparency but also for tighter regimes. That is why I was very glad to hear the comments of Senator O’Brien that they will be supporting this motion, given the position adopted by both Labor and the government during the Gene Technology Bill 2000 debate.

Senator Brown—I rise on a point of order which may help the chamber here. I am happy to withdraw this motion and foreshadow that I will move it later in the day.

Motion—by leave—withdrawn.

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

Second Reading

Debate resumed from 8 February, on motion by Senator Kemp:

That this bill be now read a second time.

Senator MARK BISHOP (Western Australia) (1.01 p.m.)—The Communications and the Arts Legislation Amendment (Application of Criminal Code) Bill 2000 amends various legislation within the communication and arts portfolio to reflect the application of the criminal code to all Commonwealth offences. The amendments are intended to ensure that chapter 2 of the Criminal Code Act 1995 is applied to all Commonwealth offences at 15 December 2001. The government has stated that, subject to several minor exceptions noted in the EM, the bill does not affect the current operation of current criminal offences, rather it seeks to ensure that the current criminal offences are not altered following the application of the criminal code to the Commonwealth legislation.

In general, the amendment falls into the following broad categories: amendments to restructure provisions where part of the conduct element of the offence includes breach of condition of a licence; authorisation permits, certificate or declaration; amendments
to restructure offences relating to non-compliance with a notice requirement to rule, direction or order; amendments to restructure offences 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 that the meaning of engage in conduct includes omissions; an amendment so as to not require knowledge of the law; amendments to repeal false or misleading statements, or false or misleading document provisions; and amendments to convert dollar amounts to penalty units. The opposition supports the bill.

Senator RIDGEWAY (New South Wales) (1.03 p.m.)—I will be very brief on the matter. The Democrats acknowledge that this is a non-controversial piece of legislation and will support it. We wanted to draw to the attention of the chamber the examination by the Scrutiny of Bills Committee and their comments in relation to certain provisions, particularly those relating to strict liability offences and what was considered to be a trespass unduly on personal rights and liberties. I think these are things worth noting for Hansard.

Whilst, on the one hand, the appropriate minister has responded to the concern that has been made by my colleague Senator Murray and others, I am certainly not satisfied with the response that has been given. I raise the issue, whilst there is a need to provide certainty in relation to the question of strict liability and giving some certainty in relation to interpretation, of the role of the courts and what appears to be an infringement upon civil liabilities, particularly in relation to the need to create administrative ease and certainty. We want the government to take note of that and perhaps Senator Patterson, on behalf of the government, may wish to consider those issues. We also note that, whilst the minister has responded, there has not really been sufficient time to examine those issues. There have been a series of similar pieces of legislation coming through trying to create administrative ease without seriously addressing the question of civil liberties in the whole process.

Whilst the bill itself is non-controversial, we want to note that the strict liability offences, whilst they are of a minor nature, do create that problem. We accept the public interest justification for those offences, as offered by the minister in his comments to the committee itself, and we also accept that is only practical effect of this bill. Whilst it tries to do that, we will support the legislation, and I think it is important to note that for the record.

Senator PATTERSON (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Parliamentary Secretary to the Minister for Foreign Affairs) (1.05 p.m.)—I thank honourable senators for their contributions to this debate. As has been said, the bill is part of the government’s reform of the criminal law. It amends offence provisions in portfolio acts to ensure consistency and compliance with the criminal code. The criminal code establishes the general principles of the criminal responsibility that will apply to all Commonwealth offences from 15 December 2001. The code may alter the way the offences are interpreted by the courts. This bill ensures that when the code commences, the criminal offence provisions in portfolio acts will continue to operate in the same manner as they operated previously. If these amendments are not made, then the criminal code could alter the way the criminal offence provisions currently operate. The bill also makes other minor amendments which are not strictly necessary for harmonisation, the purposes of which are consistent with the code and consistent with general criminal law policy to simplify offence provisions and improve their operation.

With respect to the issue that Senator Ridgeway has raised, the minister did respond to the Scrutiny of Bills Committee in a quite lengthy four-page letter. I would table this letter but I do not have a signed copy of it. However, a copy of the four-page letter can be obtained from the Scrutiny of Bills Committee. It is presumably a public document. I will also ask Senator Alston to table a signed copy of his response at an appropri-
ate time today. It is not appropriate for me to table something that is not signed, so you will have access to a copy of the response.

These amendments to the Telecommunications Act 1997, subsection 534(3), which relates to the return of inspectors’ identity cards, and subsection 548(2), which relates to general powers and inspectors, make them strict liability offences. These offences are very similar to other portfolio offences—namely, subsection 268(3) of the Radiocommunications Act 1992 and subsection 29(3) of the Protection of Movable and Cultural Heritage Act 1986, which relate to the return of inspectors’ identity cards, and subsection 279(2) of the Radiocommunications Act 1992 and subsection 39(2) of the Protection of Moveable and Cultural Heritage Act 1986, which relate to general powers of inspectors and which are strict liability offences. As subsections 534(3) and 548(2) of the Telecommunications Act 1997 are minor offences with a small pecuniary penalty—that is, five penalty units and 20 penalty units respectively—which provide a defence of reasonable excuse which is an indication of strict liability, they have been made strict liability offences to provide consistency with similar offences in other portfolio legislation.

That is generally a sort of synthesis of some of the arguments that are in the letter. I do not know whether Senator Ridgeway has had access to the letter. He did mention that the minister had responded, but I will ask that the minister table the response to the Scrutiny of Bills Committee’s concerns. I commend the bill to the Senate.

Question resolved in the affirmative.

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

**LAW AND JUSTICE LEGISLATION AMENDMENT (APPLICATION OF CRIMINAL CODE) BILL 2000 [2001]**

**Second Reading**

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

That this bill be now read a second time.

**Senator O’BRIEN (Tasmania)** (1.10 p.m.)—This bill continues the process of implementation of the criminal code. Similar bills are being introduced across portfolios with the intention of at some point ensuring that all Commonwealth criminal offences have standard elements of intention, fault, burden of proof and penalty. However, the amendments contained in this bill and in similar bills in other portfolios are not a complete harmonisation of all offences in every aspect of the policy of the criminal code.

By focusing on importing the general principles of criminal responsibility as codified in chapter 2 of the criminal code into existing offences under legislation in the Attorney-General’s Department, this bill is designed to ensure that, once chapter 2 comes into effect on 13 December 2001, all offences operate in much the same way as they do now.

At this point it should be acknowledged that complete harmonisation is an enormous legislative task, but it is an important task. It is not one from which the government should shrink. The development of the criminal code has been slow and haphazard under this government. The new minister should be encouraged to take up the task of revitalising the model criminal code process. The opposition is supporting the passage of this bill. However, it needs to be made clear that this bill, as with the corresponding bills in other portfolios, involves detailed drafting changes. There may be difficulties with some of the drafting which will only become apparent as the amendments are applied across portfolios. For this reason the opposition will monitor the application of the amendments as they are applied and will move to redress any anomalies or problems which arise.

I understand that the government will in the committee stage be moving amendments that have been circulated. I understand that they are of a minor and technical nature. I indicate that the opposition has looked at those amendments and I am advised that we would support those amendments.

**Senator GREIG (Western Australia)** (1.12 p.m.)—This bill applies the criminal code to all offence creating and related provisions in legislation administered within the Attorney-General’s portfolio. As a result,
many offences are now declared to be offences of strict liability. Absolute liability is applied to the elements of certain offences and an evidential burden is imposed on defendants in relation to the raising of various other matters.

Where an offence is declared to be one of strict or absolute liability the prosecution need not establish default elements of the offence. Default elements are normally intention, recklessness and the like. Strict and absolute liability provisions are thus a departure from the entrenched common law position that the prosecution must show not only a guilty act but also a guilty mind. No fault elements need be provided in relation to strict liability offences. Such provisions are only justified in limited circumstances.

The Scrutiny of Bills Committee rightly drew attention to the presence of strict liability provisions in this legislation, noting that such provisions may be considered to trespass unduly on personal rights and liberties. The committee sought an assurance from the minister that this legislation created no new strict liability provisions and it simply continued the operation of existing strict liability provisions with the coming into force of the criminal code. The minister gave such an assurance in the following terms:

You can be assured that the offences by which strict liability is applied by the bill are limited to those where it can be clearly inferred that parliament intended that strict liability would apply.

Given this assurance from the minister to all those involved in the Scrutiny of Bills Committee, my party, the Australian Democrats, is prepared to support this legislation.

Senator PATTERSON (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Parliamentary Secretary to the Minister for Foreign Affairs) (1.14 p.m.)—I thank all honourable senators for their contribution to the debate. The purpose of the Law and Justice Legislation Amendment (Application of Criminal Code) Bill 2000 [2001] is to effect all necessary amendments to criminal offences and related provisions in acts administered by the Attorney-General in preparation for the application of the criminal code. Chapter 2 of the criminal code codifies the general principles of criminal responsibility at the Commonwealth level.

The criminal code is scheduled to be applied to all criminal offences and related provisions on 15 December 2001. It is part of a progressive project known as the harmonisation project, which is designed to prepare all Commonwealth criminal offences and related provisions on a portfolio by portfolio basis for the criminal code’s application. The amendments proposed by the bill are designed to maintain the status quo; namely, to ensure that criminal offences and related provisions continue to operate in the same manner as at present following application of the criminal code. If the amendments proposed by this bill are not made prior to 15 December 2001, then many existing criminal offence provisions in the Attorney-General’s portfolio will be constructed in a manner inconsistent with the criminal code’s principle and may be interpreted and forced in an unfamiliar manner. It is for this reason that I commend this bill to the Senate.

Question resolved in the affirmative.
Bill read a second time.

In Committee

The bill.

Senator PATTERSON (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Parliamentary Secretary to the Minister for Foreign Affairs) (1.16 p.m.)—I table a supplementary explanatory memorandum relating to the government amendments to be moved to this bill. The memorandum was circulated in the chamber on 28 February 2001. I seek leave to move the government amendments.

Leave granted.

Senator PATTERSON—I move government amendments (1) and (2):

(1) Clause 2, page 2 (line 5), omit “Schedule 51 commences”, substitute “Schedules 21 and 51 commence”.

(2) Schedule 51 (heading), page 151 (lines 2 to 4), repeal the heading, substitute: Schedule 51—Amendments (except for Customs Act) commencing on the day mentioned in subsection 2.2(2) of the Criminal Code

Amendments agreed to.
Bill, as amended, agreed to.
Bill reported with amendments; report adopted.

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

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

Senator PATTERSON (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Parliamentary Secretary to the Minister for Foreign Affairs) (1.17 p.m.)—I seek leave to make a short statement about the Communications and the Arts Legislation Amendment (Application of Criminal Code) Bill 2000 in response to a question that Senator Ridgeway asked.

Leave granted.

Senator PATTERSON—Senator Ridgeway, as usual, the clerks and deputy clerks of this place are the ones who know more about what is going on than we do, and the Deputy Clerk has drawn to my attention the Senate Standing Committee for the Scrutiny of Bills second report of 2001, 28 February 2001, which was tabled yesterday, in which you will find the full letter from Senator Alston responding to the questions raised by the Scrutiny of Bills Committee. So I do not think it is necessary to ask Senator Alston to table it yet again. It is on the public record and available to all senators. I thank the Senate’s indulgence.

ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION AMENDMENT BILL 2000
Second Reading
Debate resumed from 6 February, on motion by Senator Ian Campbell:

That this bill be now read a second time.

Senator O’BRIEN (Tasmania) (1.18 p.m.)—This bill involves minor changes to the ATSIC Act in regard to the Commercial Development Corporation of ATSIC to allow, firstly, a change of name from the Commercial Development Corporation to Indigenous Business Australia; secondly, to allow a full-time chairperson of Indigenous Business Australia, if it is required; and, thirdly, to allow ATSIC to outsource some of its commercial functions, such as program implementation and decision making in relation to funding, if it is desired. It is important to note that this outsourcing can be achieved by delegation to Indigenous Business Australia, by appointment of an appropriately qualified and suitable person or body to act as ATSIC’s agent, or by contracting out to external providers. The Australian Labor Party is not opposed to an organisation such as ATSIC being able to contract out commercial functions as long as this is an option, not a requirement.

These changes are designed to allow greater ease in delivering some of the commercial aspects of ATSIC’s programs, including more effective partnerships between the public and private sectors in order to enable effective indigenous participation in the economy, to ensure economic independence and to escape welfare dependency. However, we believe it is not enough to focus just on commercial business and restructuring of the welfare system. There needs to be a broader economic agenda. Achieving economic independence is intrinsically tied up with the equitable allocation of resources and funding. It is achieved through ownership and access to land, it is achieved by ensuring that indigenous people have access to the education and training to achieve jobs in these and other businesses.

Furthermore, a diversity of indigenous circumstances requires a diversity of program responses. Business aid must take a diversity of forms. It should be recognised that at many times the cutting edge of indigenous business is the result of a mix of the commercial and the cultural. The social and the economic are often interlinked in indigenous enterprises. In fact, in most cases the economic goal of commercial development is tied up with the social policy goal of increasing employment for indigenous people and redressing welfare dependency and disadvantage.

Senator RIDGEWAY (New South Wales) (1.21 p.m.)—On behalf of the Australian Democrats, I welcome the passage of
the Aboriginal and Torres Strait Islander Commission Amendment Bill 2000 and the establishment of Indigenous Business Australia. I have spoken to ATSIC and to members of the Aboriginal and Torres Strait Islander Commercial Development Corporation, who are supportive of the bill. I think Indigenous Business Australia is a very appropriate name for the face of commercial indigenous enterprise in this country, because more and more indigenous Australians do mean business when these opportunities are provided. I think it is important, in the context of a shift in policy from government in this respect and the outsourcing capacity being given to ATSIC to deal with business initiatives, that there is an opportunity to start to imagine that indigenous people can run their own commercial operations and enter into joint ventures with some of the larger corporations operating in this country whether in mining, property, manufacturing, agriculture or tourism.

I think everyone in this chamber would be familiar with the statistics of indigenous disadvantage, but my reason for reminding senators of this point is to highlight the need for full and resolute parliamentary commitment to achieving economic independence for indigenous peoples in this country. I remind not only this chamber but also the House of Representatives and every party that is represented in our democracy. The Australian government, of course, needs to do much more to correct the legacies of the past and to enable indigenous Australians to believe they are equal with all other Australians when it comes to employment opportunities, applying for a bank loan or undertaking a commercial venture itself.

I guess the shift in policy about seeking to refocus the former Commercial Development Corporation so that it is a lot more commercially oriented and open to partnerships with the private sector and financial organisations is a positive first step. Nonetheless, we need to be reminded that that step does not bring indigenous Australians even close to the starting line. The fact is that these are some of the basic challenges in life that many indigenous Australians do not ever dream of achieving. Whilst I am not here to say that it is all up to the government, there is a great deal of work in the government’s in-tray, and it is yet to respond to and provide full answers to many of those issues.

Many years of research and reports, the fruits of countless consultative workshops in communities across the country and the dedicated resources of the former Council for Reconciliation have produced a raft of suggestions and constructive options for the government to consider and to act upon. The road map in the council’s final report on reconciliation is nearly 12 months old, yet we still have no idea what the government is or is not prepared to do with the suggestions it makes.

It is probably poignant at this point to refer to comments by His Excellency Cardinal Clancy. He stated, with moral authority, his views on the matter in a recent speech by saying that there is one word more than any other that has extended our daily parlance in recent decades—the word ‘reconciliation’. He said that, in the process, it has become much impoverished and has lost some of its significance because it has come to refer to a relationship, bearing in mind that it will never be achieved by mere words but by deeds and a genuine national change of heart. He went on to say that we should not be intimidated by the magnitude of the challenge nor fall victim to the argument that the individual can achieve nothing at all.

The important thing to remember is that a lot of work has been done. The council has produced a final report, with four strategies, two of which are of importance on this occasion: the national strategy to overcome disadvantage and the national strategy for economic independence. The latter aims for a society where Aboriginal and Torres Strait Islander peoples and communities can share the same levels of economic independence as the wider community. The essential actions it recommends fall into the following categories: education and training, employment, access to capital, access to markets and trade, being able to address the additional challenges in regional and remote Australia, and partnerships and joint ventures. Every one of these issues requires government involvement and leadership. Some of them also de-
pend on the business and corporate sector opening their doors and being prepared to work with indigenous peoples in partnership. There are real examples of the private sector recognising these kinds of partnerships make good business sense, especially in rural and regional Australia. I mention Moree with the Gwydir Cotton Valley Cooperative in my home state of New South Wales. Certainly, other corporations like Qantas and the Accor Pacific hotel group have come forward recently.

I think we need to be reminded that, at best, we are left to presume that the government is still considering and digesting the strategies contained in the council’s final report, which was presented last May at Corroboree 2000. Similarly, some three months ago we were left to imagine what the government is prepared to do in terms of the six recommendations in the final report. The government has been pretty clear in its response to the suggestion of a formal process of negotiating the political, legal, cultural and economic position of indigenous people in this country. But what is not clear is the government’s response to the recommendation to affirm the Australian declaration towards reconciliation and the action roadmap for reconciliation. Perhaps something that needs to be taken on board is the suggestion that the Australian parliament pass a formal motion of support for these documents, enshrine their basic principles in legislation and determine how the key recommendations can best be implemented. These are all pressing questions that warrant a response from government. To simply continue to ignore them and press on with the government’s own agenda of practical reconciliation is an affront to everyone who has been involved in that cause over the past 10 years and to the many Australians who have walked for reconciliation.

These are questions that I intend to take up with the government on behalf of the Democrats to ensure that the potential of Indigenous Business Australia and the goodwill that has been expressed here today and by the corporate sector and the wider community do not flounder because the other essential building blocks are yet to be put in place. On behalf of the Democrats, I would like to take the opportunity to reaffirm our support for the important work that ATSIC and the Commercial Development Corporation have done in the implementation of their functions to promote and advance indigenous commercial enterprise in this country.

I also want to extend our support to the new Indigenous Business Australia. We wish it every success in its goal of achieving a strong Aboriginal and Torres Strait Islander business presence in the national economy and improving indigenous economic self-sufficiency and wellbeing.

Senator PATTERSON (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Parliamentary Secretary to the Minister for Foreign Affairs) (1.28 p.m.)—I thank honourable senators for their contributions to the debate. The bill amends the Aboriginal and Torres Strait Islander Commission Act 1989, renames the Aboriginal and Torres Strait Islander Commercial Development Corporation, CDC, to Indigenous Business Australia, and allows the Aboriginal and Torres Strait Islander Commission to outsource its commercial functions and provides the option of appointing a full-time chairperson to the IBA.

Item 78 is a minor technical amendment which redresses the anomaly that, at the moment, the CDC is not strictly required to report on income derived from investments. However, it does so as a matter of good practice. This amendment will thus ensure that there is a legislative requirement for such reporting. I commend the bill to the Senate.

Question resolved in the affirmative.

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

Sitting suspended from 1.30 p.m. to 2.00 p.m.

QUESTIONS WITHOUT NOTICE

Goods and Services Tax: Advertising

Senator McLUCAS (2.00 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Can the minister confirm that the
cost slug to taxpayers to sell the GST has again blown out? Hasn’t the original estimate of $30 million for the tax office’s GST advertising, promotion and education campaign in the current financial year ratcheted up to $80 million—a 266 per cent increase on the taxpayers’ tab? What is the reason for this astonishing increase in the cost of selling the GST to the Australian public? Was it the ads broadcast during the tennis or the cricket this summer, were there extra billboards along the freeways or did some of this extra taxpayers’ money go into pulping the Prime Minister’s original and illegal letter using the electoral roll?

Senator KEMP—Senator, you have asked a question about the specific figures. I am happy to provide those to you, and I will take that part of your question on notice. The government do not hide figures. We are always happy to provide those sorts of details. Let me also make the point that it was probably not entirely clear to people who listened to your question that the GST is now part of Labor Party policy. It may not be clear to people. I know that there is some talk of a roll-back by the Labor Party. The public would very much like to see precisely what that is.

A number of points need to be made in answer to the senator’s question. The first point is the one I made—that the GST is now part of Labor Party policy. The second point is that the revenues from the GST flow to state governments. So it is of interest that a senator from Queensland stands up and purportedly complains about the GST when of course the revenues of the GST will be flowing, in her case, to the Beattie government in Queensland. I make that point in case there is a bit of an attempt by the Labor Party to mislead the public about their approaches on various matters. There is a great attempt by the Labor Party to mislead the public, and I think it is important that you understand that the GST is your policy. The revenues from the GST flow to the state governments, and that flow will enable state governments to remove a range of taxes.

Senator McLUCAS—I will be interested in receiving those figures as soon as they are available. Madam President, I ask a supplementary question. Can the Assistant Treasurer confirm that the tax office believes that the unspent $27 million of the $80 million total promotional budget for this year will be insufficient for the advertising needed on the BAS reporting backflip? Didn’t the tax office describe the advertising and promotion needed for the recent panic-stricken backflip as a ‘significant campaign’ and say that it will be required in the run-up to the BAS3 deadline in mid-April? Why is $27 million not enough taxpayers’ money to advertise BAS3 changes between now and mid-April, Minister? Just how much of an advertising blitz will this be?

Senator KEMP—Senator, I welcome the interest that you seem to show in these matters. In fact, when these matters are fully discussed at Senate estimates, we will welcome your appearance so that you will have a chance to ask a wide range of questions of the public servants there. Senator, I have not actually noticed you at those estimates hearings, but we welcome this interest. In relation to the advertising arrangements, let me make it very clear to you that we will make sure the resources are provided so that the public are properly informed about the changes.

Fuel Prices

Senator CRANE (2.05 p.m.)—My question is to the Leader of the Government in the Senate, Senator Hill. Will the minister inform the Senate of today’s action by the Howard government to ease the burden of petrol prices for Australian consumers? Is the minister aware of any alternative policies? What will the impact of these be on petrol prices?

Senator HILL—I am pleased to answer the question, and I acknowledge that Senator Crane, as a rural senator, has a particular interest in the subject of petrol prices. Earlier today, the Prime Minister announced far-reaching changes in the way petrol is taxed in Australia. As a first step, the government will immediately reduce fuel excise by 1.5c a litre. This will be effective from tomorrow.
recognise. Secondly, the ACCC will be given special powers to monitor the passing on of this reduction in excise to ensure that Australian motorists get the full benefit of the move. The ACCC will also monitor the delivery of the fuel subsidies scheme that was introduced when the goods and services tax was introduced last year. Thirdly, we propose to have an inquiry into the total structure of fuel taxation in Australia. While the terms of reference are yet to be set, it will be based—

Opposition senators interjecting—

The PRESIDENT—Order! Senator Hill, I need to hear you, and I cannot with the shouting that is going on. The Senate will come to order.

Senator HILL—These are very important matters. I was saying that, thirdly, we propose to have an inquiry into the total structure of fuel taxation in Australia. While the terms of reference are yet to be set, it will be based on the principle of fuel neutrality. Fourthly, but most importantly, the government will immediately move to abolish all future half-yearly indexation of fuel excise. Who introduced the half-yearly indexation system on fuel?

Senator Cook—And who kept it?

Senator HILL—The Labor Party.

Honourable senators interjecting—

The PRESIDENT—Order! Senator Hill—

Senator HILL—I can understand why they are so upset.

The PRESIDENT—Order! There is so much shouting in the chamber that Senator Hill could not even hear that I was calling him to order. Some senators have been absolutely screeching across the chamber. It is completely disorderly and I warn you about your behaviour.

Senator HILL—Madam President, I was—

Senator Cook—You kept it!

The PRESIDENT—Senator Cook, I just said that I warn you about your behaviour. You might care to read standing order 203.

Senator HILL—I was making the contrast: Labor put on half-yearly indexation and the coalition government is removing it. Labor puts taxes up; the coalition puts taxes down. If ever there was a clear contrast, it is that one. Just look at Labor’s record on the taxation of petrol.

Senator Schacht—You lose 35 seats in two states and now you surrender.

Senator HILL—Senator Schacht, listen carefully. When Labor came to government in 1983, petrol excise was 6.2c per litre. When they left government, petrol excise was 34.2c per litre—an increase of over 450 per cent. So, under Labor, the excise on fuel went up 450 per cent. Not only did they impose the indexation system to hit motorists every six months—

Senator Cook—And you kept it!

The PRESIDENT—Senator Cook!

Senator HILL—but on five separate occasions they legislated extra increases, Senator Cook.

Senator Cook—And you kept it!

The PRESIDENT—Senator Cook, you are at great risk—

Senator Cook—I was just—

The PRESIDENT—Senator Cook, you are totally disorderly. You are persistently and wilfully ignoring the standing orders and the rulings of the chair. Once more, and I shall report you to the Senate.

Senator HILL—I was making the point that not only did Labor introduce half-yearly indexation, which meant a 450 per cent increase in fuel taxes, but on five separate occasions they came into the parliament and legislated additional increases in the taxation on fuel. But, of course, the most infamous of the increases came in the 1993 budget. We remember that, before the 1993 election, Paul Keating promised not to put up taxes. It was a clear commitment. But what was the first thing they did after the 1993 election? They put up the tax on leaded petrol by seven per cent and they put up the tax on unleaded petrol by 5c per litre. That cost the motorists an extra $4.1 billion, or $3.7 million a day. There is a very clear contrast. (Time expired)

Senator CRANE—Madam President, I ask a supplementary question. Minister, how
will the removal of the half-yearly indexation redress the taxation policy of the previous Labor government?

Senator HILL—That is the point that I was seeking to make. The record of Labor was always one of high taxation, high interest rates, high inflation and high unemployment. That was the record of Labor and Labor’s taxes on petrol were typical. There was a 450 per cent increase through indexation and there were five separate tax hikes on top of that. That is Labor’s record. Today, the coalition is reducing the tax on petrol and finally and forever ending Labor’s six-monthly indexation.

Senator Carr—You know that’s not right!

The PRESIDENT—Senator Carr, stop shouting.

Senator HILL—So Australian motorists will be better off. They know the alternatives. The alternatives are Labor and high taxation or the coalition and lower taxation.

Textile, Clothing and Footwear Industry: Bradmill Undare Group

Senator GEORGE CAMPBELL (2.12 p.m.)—My question is to Senator Minchin, the Minister for Industry, Science and Resources. I refer to the news of the appointment of administrators to the Bradmill Undare Group, the denim plant in the electorate of Gellibrand that employs around 800 people. Is the minister aware of an article that appeared in the Australian Financial Review on 16 February this year, titled ‘Textile plan starts to unravel’? Is the minister also aware that this article outlined the concerns within the textile, clothing and footwear industry about the maladministration of the TCF SIP scheme at a time of great uncertainty in the TCF sector generally? In the light of the announcement made yesterday by the Bradmill Undare Group, what specific action is the government taking in response to the now urgent concerns of companies in the TCF sector?

Senator MINCHIN—It is a fact that it is a further sign that this is an industry undergoing very major restructuring. The process actually started under the Labor Party—Senator George Campbell’s own party. I remind the Senate that, between 1989 and 1996, 28,000 TCF workers were retrenched as a result of the reductions in tariffs, et cetera, that occurred under the previous administration.

We have set a forward regime in place for the industry in relation to freezing tariffs for five years at levels which give the industry the greatest level of protection of any industry in this country. We have given them that grace period of five years to get their act together to ensure that they can become internationally competitive in niches and in fields where they can compete successfully, and a number of Australian companies are doing just that. That has not been possible in the case of Bradmill. As many will know, their focus was on denim and the denim market is very soft indeed.

So despite the fact that this company has received considerable assistance under various government programs, it has not been able to avoid going into receivership. However, we have in place the five-year tariff freeze. We have in place the $700 million TCF SIP scheme. While the Financial Review, which Senator George Campbell referred to, tried to portray some suggestion that there are a few in the industry who are not too sure about the scheme, I am meeting this afternoon with the new chairman of the TFIA. I have issued a release this morning detailing our response in relation to some of the queries raised by the industry, particularly in relation to modulation. Senator George Campbell will find in that release that the industry’s leaders have welcomed my announcement. We have met their concerns in relation to the questions of both modulation and the future administration of this very good scheme.

Senator GEORGE CAMPBELL—Madam President, I ask a supplementary question. Can the minister confirm that yesterday he put out a press release calling the Bradmill Undare Group restructuring ‘unfortunate’ but failed to mention the number of jobs at risk and expressed no concern and offered no assistance to those
offered no assistance to those workers and their families? Did the minister’s consultations with industry groups managing the TCF issue involve Bradmill Undare and, if so, what did this firm have to say about the state of the industry or the state of the firm’s operations? Did Bradmill Undare request assistance from the federal government in relation to the TCF industry scheme? If they did seek assistance, what was your reply?

Senator MINCHIN—Like most of these schemes, they are legislated, the eligibility requirements are legislated and the Department of Industry, Science and Resources administers the scheme objectively and in accordance with the legislated eligibility criteria. So the question of the eligibility of Bradmill is not a matter for me; it is a matter for that company in relation to the requirements of the SIP scheme and in relation to whether or not it is engaged in any eligible activities.

The entitlements that it may or may not receive under the scheme will not be affected by the appointment of a receiver. The plan is to try to sell the business as a going concern. In that case, the employees will lose neither their jobs nor their accrued entitlements, hopefully. If the worst-case scenario eventuates—and we hope that does not come about—and the business cannot be sold as a going concern, then the employees would be expected to be eligible for assistance under the federal government’s Employee Entitlements Support Scheme. (Time expired)

Rural and Regional Australia: Initiatives

Senator LIGHTFOOT (2.18 p.m.)—My question is directed to the Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald. Will the minister outline recent Howard coalition government initiatives for people living in remote and regional Australia? How have these policies contributed to a sound economic base for rural industries, and is the minister aware of any alternative policy approaches in this area?

Senator IAN MACDONALD—Perhaps I could start by referring Senator Lightfoot to a statement by Mr Ian Donges, the President of the National Farmers Federation today, where he said that every farmer in Australia should be smiling today. They are going to be smiling not only because of the 1½c a litre that has come off petrol but also because this government has been shown to be a government that listens to the concerns of rural and regional Australia and a government that works with regional and rural Australians to fix the business activity statement and to fix the legitimate tax treatment of trusts that farmers use so much.

This smiling is not only for farmers but also for all of us who live in rural and regional Australia. We are smiling not only because of that reduction in fuel prices but also because we are removing the Labor Party’s indexation of fuel, which was introduced by the Labor Party and which was voted for by members of the Labor government like Senator Faulkner, Senator Cook, Senator Bolkus and Senator Ray. They are people who actually voted for that six-monthly automatic indexation and people who, in addition to that, voted for five separate increases to the excise on fuel.

Opposition senators interjecting—

The PRESIDENT—Order! There are too many senators on my left speaking.

Senator IAN MACDONALD—That is why farmers and the people of rural and regional Australia are smiling today: because we are eventually getting rid of Labor’s automatic indexation of tax. As well as that, farmers and country people are smiling today because things are starting to look up in country Australia. ABARE, the Australian Bureau of Agricultural and Resource Economics, has predicted that lamb prices will rise through increasing exports and better opportunities. Although times have been tough for dairying, ABARE forecasts a six per cent increase in exports of cheese and a five per cent increase in the exports of whole milk. Last year, Australia recorded a huge increase in beef exports. Farmers and country people are smiling because the new tax system has helped with these exports, making all exports GST free. That is estimated to give a $4 billion saving to rural and regional Australia as a result of the new tax system.
Country people are also smiling because tomorrow councils in rural and regional Australia will start receiving their cheques for the $1.6 billion Commonwealth government investment in local roads. Those cheques are not a promise. They are not something that might happen; they will actually happen tomorrow when councils start receiving them. It will put the lie to Mr Beazley’s claims of boondoggling or pork-barrelling with these very much needed road investments to local councils in rural and regional Australia.

Country people are smiling because just last week we announced a $150 million subsidy for untimed local calls in remote Australia. Earlier this week, my colleague Senator Alston announced a $25 million program to expand access to mobile phone coverage along the major highways, particularly in rural and regional Australia. This is why people are smiling in the country. This is why Mr Donges is correct when he says that this has been a great week for rural and regional Australians, because the government is listening. Contrast that with the Labor Party, who have no policies and no interest whatsoever in rural and regional Australia. This is a government that listens and acts on rural and regional concerns.

**Greenhouse Gas Emissions**

**Senator Bolkus** (2.22 p.m.)—My question is to Senator Hill, the Minister for the Environment and Heritage. Can the minister confirm that the latest National Greenhouse Gas Inventory shows that greenhouse gas emissions in 1998 were some 16.9 per cent above 1990 levels? Isn’t it a fact that the emissions in 1998 increased at a faster rate than the economy, at odds with the previous five-year trend of decreasing emissions per GDP? Isn’t it a further fact that, of the measures announced by the Prime Minister in his 1997 statement _Safeguarding the future_ no fewer than seven programs, including some of the most critical, remain either incomplete, unoperational or not yet contributing to real emission reductions some 3½ years after their announcement?

**Senator Hill**—The Australian government is playing its part in contributing to a better global greenhouse gas outcome.

**Senator Bolkus interjecting**—

**The President**—Senator Bolkus, you have asked a question. You should listen to the answer.

**Senator Hill**—It is a huge challenge for the developed world to decouple economic growth from the growth in carbon emissions. These emissions have grown steadily since the time of the industrial revolution. The developed world accepted that challenge at Kyoto and agreed as a group to reduce, for the first time in history, greenhouse gas emissions by five per cent off the 1990 base by about the year 2010.

**Senator Bolkus**—We’re going backwards.

**Senator Hill**—Developed countries, for the benefit of Senator Bolkus, agreed to a cumulative target—a total target that would amount to a real reduction in greenhouse gas emissions. Within that, all developed countries agreed to specific targets, which were determined on the basis of what was fair and equitable for each economy to bear. In the case of Australia, it allowed an increase of just eight per cent, which is a reduction from the business-as-usual graph of about 43 per cent.

It is true that Australia accepted a major challenge at Kyoto. We then went about the task of meeting that pledge and achieving that reduction. We did it through a suite of programs which, as Senator Bolkus has finally observed, was introduced by the Prime Minister in 1997 and funded. Those programs have been implemented in the succeeding years and continue to be implemented—vitally important programs such as the introduction of changes to the building code. Energy efficiency will be written into the code for the first time for both domestic and commercial buildings.

**Senator Bolkus interjecting**—

**The President**—Order! Senator Bolkus, you have asked a question. The minister is entitled to answer it. You may, if you wish, seek to ask a supplementary question at the end of it. You should not be interjecting persistently throughout.

**Senator Hill**—The introduction of legislation to require an extra purchase of re-
newable energies—passed by this Senate finally, after much difficulty with those on the other side—provided the greatest capital investment in renewable energy in the history of our country. And so I could go on. The suite of programs announced by the Prime Minister at the end of 1997 is being implemented.

Since then, the government has made further commitments to the Greenhouse Gas Abatement Program. An investment of some $400 million has been made into the best options available for the utilisation of new technologies, the adoption of renewable and alternative energies, new emission standards for motor vehicles and new fuel quality standards to complement those new emission standards. A full suite of options is being implemented by this government and is supported by a budget of almost $1 billion. Keeping on track requires the effort of all Australians, not just the government. It requires an effort from state governments, which are lagging again, unfortunately, in this critically important area. It requires the contribution of industry, which has done pretty well to date in relation to the greenhouse challenge, and it requires a contribution from the community as well. Provided we do join together as a nation, we can meet that target that we accepted for the country in Kyoto at the end of 1997. (Time expired)

Senator BULKUS—Madam President, I ask a supplementary question. In asking a supplementary, I note that the minister does not deny that those important programs have not been implemented yet. In respect of the building code, he does not tell the truth. He does not say that it is nowhere near implementation some three years after the promise. Minister, how much is the government spending on promoting its abysmal failure of a greenhouse record in the current Greenhouse Office advertising campaign? Over what period of time will this advertising campaign run?

Senator Bulkus—How much are you spending on this program?

The PRESIDENT—I did not clearly hear what was said myself. I will certainly be checking to see precisely what is recorded. Any suggestion of that kind should be withdrawn.

Senator BULKUS—What I said was that the minister did not tell the truth, and he did not tell the whole story in terms of the building code which had not been implemented as yet—far from being implemented. If that is an offence, then I withdraw it.

The PRESIDENT—I shall certainly look at the Hansard.

Senator Hill—I am pleased that Senator Bolkus is finally taking an interest in this subject.

Senator Bolkus—Why don’t you try answering it?

The PRESIDENT—Senator Bolkus, I have already spoken to you during this session. I remind you of the standing orders.

Senator Hill—But now, having taken an interest, I hope that he will do the homework that is necessary to learn about the issues. When he does so, he can refer himself back to the statement that I put down in the Senate at the end of last year which was on Australia’s progress towards meeting its targets. What he will find is that every program this government has announced is being implemented. Every program is being funded. He will also find that the states have been somewhat tardy in meeting their responsibilities.

Senator Bolkus—Why hasn’t it happened?

Senator Hill—Why hasn’t it occurred?

Because it is not yet 2010, Senator Brown. Wait until the time is right. (Time expired)
Dairy Industry: Deregulation

Senator WOODLEY (2.30 p.m.)—My question is to Senator Alston, the Minister representing the Minister for Agriculture, Fisheries and Forestry. Is the minister aware of the bid by Murray Goulburn and National Foods to take over Bonlac Foods Ltd in Victoria? Is the government concerned that the National Competition Policy review of the Victorian dairy industry, which was the basis of dairy deregulation, has led to less not more competition, as evidenced by this takeover of Bonlac? Minister, when will the government admit that dairy deregulation is a disaster and dump the current National Competition Policy?

Senator ALSTON—I did see a report in one of the daily papers about the proposal in relation to Bonlac. Clearly, to the extent that there are competition issues there, it is a matter for the ACCC, and I am sure that they will be giving it careful consideration. But what is more significant about Senator Woodley’s question is his persistent and wilful refusal to acknowledge that it was at the dairy industry’s request that the government provided a $1.8 billion dairy restructuring package. In fact, as I am sure Senator Woodley well knows, the Victorian dairy farmers were the ones who effectively precipitated this action, because they started selling milk into northern Australia. As a result, other farmers in the dairy industry accepted that it was inevitable and therefore sought the dairy industry package to which I refer. I can say that implementation of the package is well under way, with over 98 per cent of farmers being informed of their entitlements by the Dairy Adjustment Authority and around three-quarters are receiving payments.

The recently released report by ABARE into dairy industry deregulation establishes clearly that deregulation has had a major impact on dairy farm incomes and that these impacts are most pronounced in the former quota states of Queensland, New South Wales and Western Australia. As I think we have said before in this chamber, the Western Australian government has in fact provided compensation and, of course, it is always open to the states to do whatever they want in relation to assisting their industries, whether they be dairy or other industries. But, if Senator Woodley is going to persist with this little game that he plays in suggesting that somehow the Commonwealth government is responsible for the deregulation of the dairy industry, the reality is that the Commonwealth government was invited to come in and did in fact put in place a $1.8 billion dairy restructuring package. If that had not occurred, the farming community would not have had that level of support. Rather than try to build up straw men like that, Senator Woodley, you should acknowledge that it was a very positive initiative.

Honourable senators interjecting—

The PRESIDENT—Order! The level of noise and interchange in the chamber is unacceptable.

Senator Faulkner—He should sit down.

The PRESIDENT—Senator Alston should be resuming his seat.

Senator Faulkner—Exactly.

The PRESIDENT—Senator Woodley has asked a question and he is entitled to hear the answer, which he cannot possibly do with the exchanges taking place across the chamber which are disorderly.

Senator ALSTON—The ABARE report strongly supports the industry view that deregulation was inevitable due to commercial forces driving change in the industry. I do not know whether Senator Woodley was on it, but that was the conclusion of the Senate committee inquiry into dairy industry deregulation.

Senator Forshaw—He chaired it!

Senator ALSTON—He chaired it, did he? Good on him; I have no idea who chaired it. But if Senator Woodley chaired that committee then he is even more culpable because that committee report concluded that deregulation was inevitable. I will go back and see what Senator Woodley—

Senator Forshaw—Read the whole report.

The PRESIDENT—Senator Forshaw, you will come to order and stop shouting.

Senator ALSTON—I think Senator Woodley ought to go back and have a good
hard look at this, and perhaps have a cold shower at the same time, and realise that the Commonwealth’s response is one that has been a significant—

Senator Robert Ray interjecting—

Senator ALSTON—It is good to see that you made it in here today, or is it every second day?

Senator Robert Ray—Yes, every second day.

Senator ALSTON—Excellent. It has also been pointed out to me that Tasmanian and Victorian farmers could join forces in a $2 billion a year milk cooperative if a buy-out deal is clinched and that the proposal has significant interest in Tasmania. Clearly what is occurring at the moment is very much a commercial decision. *(Time expired)*

Senator WOODLEY—Madam President, I ask a supplementary question. Again, you could hardly thank the minister for his answer but, Minister, I am glad you mentioned the Senate report. My first question is: have you read the report? The second question is: when will the government respond to the unanimous recommendations of the Senate Rural and Regional Affairs and Transport References Committee that the dairy cooperatives be investigated as to their operations and accountability?

Senator ALSTON—I do have a confession to make: I have not read the report. It had actually never occurred to me to read it, to be quite frank, because the portfolio is in excellent hands. Mr Truss, I am sure, could recite it word for word. *(Time expired)*

Senator Ludwig (2.44 p.m.)—My question without notice is to Senator Kemp, the Assistant Treasurer. Is the minister aware of details exposed in the *Sydney Morning Herald* this week alleging that members of the Sydney bar have been abusing the bankruptcy law in order to avoid paying millions of dollars in income tax? Can the minister confirm that, in these cases, the preferred vehicle of choice in which to funnel income and hide assets from the Australian Taxation Office has been the abuse of discretionary trusts—the very type of trust that this government now refuses to crack down on? Why does the Howard government support these wealthy trust abusing tax avoiders at the expense of ordinary taxpayers who have to pay the $26 billion Howard-Lees GST?

Senator Schacht—They are all members of the Liberal Party—those QCs.

Senator George Campbell—What’s that?

Senator Schacht—They are all members of the Liberal Party. They are all supporters of the Liberal Party.

The President—Senator Schacht, your behaviour is unacceptable and out of order.

Senator Kemp—There were two parts to the question. The first part related to matters concerning lawyers and the Sydney bar and bankruptcy. Of course, I cannot comment on particular cases, as you would appreciate, Senator, but I can assure the Senate that the Commissioner of Taxation has formed a project team to focus on tax return lodgment and debt recovery issues in relation to persistent debtors. The ATO has been liaising with other agencies, such as Insolvency and Trustee Services Australia, and has been involved in high level discussions with the New South Wales Bar Association about this
issue. The advice I have from the commissioner is that the commissioner has noted with approval the proposed new rules in New South Wales regarding applications for practising certificates in New South Wales. The commissioner added that, having recently completed an extensive review of barristers in New South Wales, the ATO will commence audit activity in the near future. In addition, the Senate would be interested to note that the ATO is seeking a systemic solution to the problem of people using insolvency to avoid their tax obligations.

Let me make it clear that this government has no truck with tax bludgers. I think there is a strong argument—and I have made this argument in this chamber well before—that, under the tax system that was left to us by the previous government, for quite a range of high wealth taxpayers the paying of tax sort of became optional because of various schemes that the Labor Party had refused to crack down on.

Opposition senators interjecting—

Senator KEMP—Senator Cook reminds me that one in particular was, of course, the R&D syndicates.

Senator Cook—That is untrue.

Senator KEMP—In relation to the allegation about the refusal to crack down on trusts, the senator has raised an issue which we discussed in this chamber earlier this week. In relation to the legislation he was referring to—the entity tax bill—there had been a wide range of consultations with the community and, as a result of those consultations, particular problems in the bill were pointed out and the government has decided not to proceed with that particular legislation. The question you have raised is very important. If you say we have refused to crack down on it, I can only assume that you would proceed with that legislation—and that would be of particular interest to small business and to farmers. You cannot stand up in here and attack us for not proceeding with that legislation if you are not prepared to proceed with it. So I assume from your question, Senator—

Opposition senators interjecting—

The PRESIDENT—Order! There is far too much shouting. Senator Kemp, your remarks should be addressed to the chair, not across the chamber.

Senator KEMP—Thank you, Madam President. I was pointing out that the senator has raised in his question a very important issue—a wider issue with respect to the particular legislation concerning entity taxation. As I said, the government has noted the concerns of the community and has noted that some real problems were raised with that legislation. But if you attack us for not proceeding—

The PRESIDENT—Senator!

Senator KEMP—Madam President, if the senator attacks us for not proceeding with that bill, presumably the Labor Party is prepared to proceed with that bill. I think a lot small business people and farmers would be very pleased to hear that the senator—(Time expired)

Senator Schacht interjecting—

The PRESIDENT—Senator Schacht, your persistent interjecting is disorderly.

Senator Schacht—It is the truth, though, Madam President.

The PRESIDENT—Senator Schacht, I am calling you to order for breaches of the standing order which you well know about.

Senator LUDWIG—Madam President, I ask a supplementary question. It is good to see that you are starting to do something now about discretionary trusts, but isn’t it also the case that the Tax Commissioner advised the government over 12 months ago that members of the Sydney bar were abusing bankruptcy laws in order to avoid paying multimillion dollar income tax bills? Didn’t Commissioner Carmody also advise that these same lawyers were actively using discretionary trusts in which to hide income and assets from the ATO, the very type of tax avoidance vehicle used by the Howard front-bench and the very type of trust vehicle which the Howard government now refuses to crack down on?

Senator KEMP—That was a pretty grubby comment. I would have thought, coming from a Queensland senator by the
name of Ludwig. If you want to proceed down that route, Senator, there will be a very big debate in this chamber, particularly about the Australian Workers Union and your activities. If you want us to go down that route, we are very happy to go down it.

Opposition senators interjecting—

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

Senator KEMP—Thank you, Madam President. I was just pointing out that if Senator Ludwig, of all people in this chamber, wants to stand up and make those comments about people he should be particularly careful himself. It was a grubby comment. It is not true and he knows it. The situation is very simple: Senator Ludwig got up and attacked us for not proceeding with the entity tax legislation. (Time expired)

Child Care Benefits

Senator PAYNE (2.45 p.m.)—My question is to the Minister for Family and Community Services, Senator Vanstone. Will the Minister please inform the Senate how today’s announcement of the increase in child care benefit in July will benefit hundreds of thousands of Australian families?

Senator VANSTONE—I thank Senator Payne for the question and her interest in the area. The increases to the child care benefit rates are simply more very clear evidence that this government is committed to meeting the child care needs of Australian families. Families, frankly, are much better off under this government. The introduction of the child care benefit made child care more affordable for families, especially for low and middle income families.

Senator Crowley—No, no.

Senator VANSTONE—I acknowledge the interjection from Senator Crowley saying no to the claim that this benefit has made child care more affordable for families especially for low and middle income families. I would like to draw to her attention and to yours, Madam President, the Bureau of Statistics estimate that the net cost to families of child care has gone down by 15 per cent since July 2000. Senator Crowley may not be up to date on her reading but the Bureau of Statistics—not known for getting it wrong—have indicated that the net cost to families of child care has gone down by 15 per cent since July 2000. Following indexation of the child care benefit in July 2001 families will be paying even less for their child care.

Senator Chris Evans—Affordable levels have not gone back to the levels of 1996 yet.

Senator VANSTONE—I notice them yelling and interjecting, Madam President. Obviously they are not interested in good news from this government.

Honourable senators interjecting—

The PRESIDENT—Order! I can’t hear. I issued a general warning about behaviour at the beginning of question time. I have spoken specifically to some senators and I would remind you of the warning that has been issued and it applies to everybody.

Senator VANSTONE—Low income families with one child using full-time child care will, in effect, get an extra $7 a week. After indexation, a typical family using full-time care will have gained an extra $20 a week since the introduction of the child care benefit. Our commitment to mainstream Australian families means that half a million families with incomes of up to $85,000 per annum benefit from extra fee relief. Families with more than one child using care can earn more and still receive assistance. We expect the additional assistance to increase the number of children using child care, which is already around 700,000.

The announcement yesterday, once again, catches Labor out telling lies to the electorate. It puts the lie to Labor’s claims of the massive increases in the cost of child care making it less affordable for families. Mr Beazley was claiming this in 1999. In August of last year, right in the middle of the September quarter, Mr Beazley did a doorstop in Hobart and said, ‘People are now paying more for child care.’ The problem for Mr Beazley—who wants to be Prime Minister of this country—is that he made the claim on radio in Hobart only to find that at that time, in the middle of the quarter, the Bureau of Statistics said that there was a 15 per cent reduction in the net cost to families. Australians now know that they do not need to believe anything that Mr Beazley says in rela-
tion to child care. One side of parliament is clearly committed to Australian families—that is this side—and the other is too lazy to do anything about them.

The result of the first survey since the introduction of the child care benefit shows a significant increase in the number of families using child care. That is the consequence of shifting to this government—increases in the number of families using child care.

Senator Chris Evans—You are getting back to the numbers that were there before you came in.

Senator VANSTONE—Senator, I know that you always look confused or like you have a headache and, if I were in opposition and I had to sit and listen to this good news, I would have a headache too. But the problem for you is that it is good news and we are going to tell the story. So you can interject all you like, Senator, you are not going to get there. *(Time expired)*

Senator PAYNE—Madam President, I ask a supplementary question. I thank the minister for the information that she has provided to the Senate and ask the minister whether there is any further statistical information available in relation to use of child care in Australia that may be of interest to the Senate.

Senator VANSTONE—As it happens, Senator Payne, there is a bit more information, so I am very grateful that you asked. Since the introduction of the child care benefit, the number of children in long day care is up 22 per cent to 367,000 children. The number in family day care has gone up by 14 per cent—that is, to 95,000—and outside school hours care has gone up 16 per cent—that is, 124,000. The average use of long day care has increased by 13 per cent—that is, it has gone up to 87 per cent. Family day care has risen by only two per cent—but it has risen—and so the usage there is up to 52 per cent. The number of hours paid for in long day care has increased by 17 per cent, and in family day care it has risen by five per cent. So the bottom line is that this is good news for users of child care. They will have to pay less, because 95 per cent of them choose to go by way of fee reduction, and they do not have to believe anything Mr Beazley says on child care. *(Time expired)*

**Minister for Sport and Tourism**

Senator FAULKNER *(2.52 p.m.)*—My question is directed to Senator Hill, representing the Prime Minister. Minister, given that the Prime Minister delayed the swearing in of Mr Brough until such time as he received, in the Prime Minister’s words, ‘a clean bill of health from the Federal Police’, shouldn’t the Minister for Sport and Tourism be stood aside until such time as she receives a clean bill of health?

Senator HILL—This is, I guess, the alternative politics to writing policies.

Senator Carr—What about an answer?

Senator HILL—I am giving you an answer.

Senator Carr—Let’s hear it.

The PRESIDENT—Senator Carr!

Senator HILL—The answer is that I think this approach of the opposition clearly—

*Honourable senators interjecting—*

The PRESIDENT—Order! I find it hard to believe that senators are still behaving as they have been throughout question time today—behaviour which I think will be judged by those listening in the way that frequently occurs with the correspondence and phone calls I get as a result of what happens. It has been completely noisy and unruly, and totally undignified.

Senator HILL—I was making the point that an alternative to constructively developing an alternative program for government—

Senator Schacht—What about ministerial honesty?

Senator HILL—is to engage in gutter-sniping, personal attacks, vilification and abuse—

Senator Schacht—What about ministerial honesty?

The PRESIDENT—Senator Schacht!

*Senator Faulkner interjecting—*
Senator HILL—and hope a little bit of mud sticks. No; it is Senator Faulkner, Madam President.

Senator Schacht interjecting—

STANDING ORDER 203 (INFRINGEMENT OF ORDER)

The PRESIDENT—Order, Senator Hill! Senator Schacht, you have been interjecting throughout question time. There have been several warnings. I probably should have acted sooner. I report you to the Senate for being in breach of the standing orders persistently during this question time. I call on you to make an apology to the Senate for your behaviour.

Senator SCHACHT (South Australia) (2.55 p.m.)—Madam President, an apology for interjecting? I will take this opportunity—

Government senators interjecting—

The PRESIDENT—Order! Senators will remain in silence while I listen to Senator Schacht.

Senator SCHACHT—Madam President, this question time has been noted, more than any other than I can recollect for a long time, for ministers one after the other getting up and using the opportunity to slag off at the opposition, abuse the opposition and at times—

The PRESIDENT—Senator, the opportunity is for you to make an apology for your persistent breaches of the standing orders.

Senator SCHACHT—Madam President, I am going to put in context why these events have occurred today.

Government senators interjecting—

The PRESIDENT—Order! Senators on my right!

Senator SCHACHT—The reason they have occurred today is because every minister without exception, when asked reasonable questions from the opposition, has not answered but has used the opportunity—despite, sometimes, your direction—to directly abuse the opposition, to slag people in the opposition, straight across the table and not through the chair. As a result, when they do that, I think it only obvious that those of us sitting on this side will take the opportunity to point out the error of the ways of the ministers doing so. Senator Hill on this particular occasion got straight up and started abusing the opposition about policy—not in any way answering the question, which is about ministerial honesty and propriety. That is why I started to interject.

Again, I know that this creates discomfort for you and I do not like doing it; but when ministers consistently and persistently take this opportunity, they are the ones who downgrade the standing of the Senate and they are the ones who provoke us to respond—because we are not going to be slagged off by these ministers. You have asked me to apologise. Within that context of explaining why, I apologise. But I also ask you to say to these ministers: treat question time in a proper and creditable way, otherwise they are downgrading the Senate. I apologise.

The PRESIDENT—Thank you.

Senator HILL (South Australia—Minister for the Environment and Heritage) (2.56 p.m.)—In accordance with standing orders, I move:

That Senator Schacht be suspended from the sitting of the Senate.

Senator Faulkner—Madam President, I seek leave to speak to the motion.

The PRESIDENT—Senator Faulkner seeks leave to speak on the motion. Is leave granted? The standing orders indicate quite clearly what should happen. Senator Faulkner has sought leave to speak. Is leave granted? Leave is not granted. I put the question that the motion moved by Senator Hill be agreed to.

Question put.

The Senate divided. [3.02 p.m.]

(At 3.02 p.m.)

(At 3.02 p.m.)

AYES

Abez, E. 43

Alston, R.K.R. 29

Bartlett, A.J.J. 14

Boswell, R.I.D. Bourne, V.W.

Abetz, E. Allison, L.F.

Alston, R.K.R. Bartlett, A.J.J.

Boswell, R.I.D. Bourne, V.W.
The PRESIDENT—Senator Abetz, I call on you to apologise for your interjection.

Senator Abetz—I apologise.

The PRESIDENT—Senator Ray, you were taking a point of order?

Senator Robert Ray—Madam President, just for future reference, more to the point: when Senator Schacht was called to his place, you asked him to make an apology. As I read standing order 203, et cetera, you should have called on him to make ‘an explanation or an apology’. I think the discretion is with the senator and not the chair.

Government senators interjecting—

Senator Robert Ray—No, this is important. Madam President, this is important in as much as, when he was making an explanation, you intervened and asked him to make an apology. I just think we should have this clear in future: I think the discretion is with the senator as to whether they make an explanation or an apology, and it is not a discretion of the chair to direct them to take which choice.

The PRESIDENT—Thank you, Senator.

QUESTIONS WITHOUT NOTICE

Minister for Sport and Tourism

The PRESIDENT—Senator Hill, you were answering Senator Faulkner’s question, and I draw your attention to the question. There is some time remaining for you to answer, as I understand it, if you wish to proceed.

Senator Hill—In all the circumstances, I think I have probably said as much as I want to in relation to that question. I think it is probably better if I ask that further questions be put on notice.

Senator Faulkner—Madam President, I ask a supplementary question. No attempt was made by the minister to answer the question. I think he should have been called to order and asked to answer it. Let me remind you, Madam President, what the question was. I asked whether, given that the Prime Minister delayed the swearing in of Mr Brough until such time as he, in the Prime Minister’s words, ‘received a clean bill of health’ from the Federal Police, should the Minister for Sport and Tourism be...
stood aside until such time as she receives a clean bill of health? I further ask: is the minister aware that the Prime Minister said in an interview on 2BL on 31 January that for Mr Brough not to be sworn in as a minister was ‘the right thing to do’—his words—and that he, the Prime Minister, wants ‘to be completely satisfied that he’—Mr Brough—‘is in no way involved because these people were employed by him’. The question for the minister to answer in the Senate in question time, where ministers and the government are accountable, is: just what is the difference between Miss Kelly’s situation and that of Mr Brough? Why shouldn’t Miss Kelly stand down?

Senator HILL—I will answer the supplementary question. The answer is that Miss Kelly has a clean bill of health and has the full confidence of the Prime Minister, is an excellent minister, and doing a great job in the national interest. Madam President, I now ask that further questions be placed on the Notice Paper.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Answers to Questions

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.08 p.m.)—I move:

That the Senate take note of the answers given by ministers to questions without notice asked today.

I commence my remarks by making a general point about the answers that have been—

Senator Alston—Madam President. I raise a point of order. I may not have been here when this matter has previously been determined, but it has not been my experience to date that we have allowed senators to move to take note of every possible answer.

The PRESIDENT—It has been ruled previously that it is for a senator to take note of one or multiple answers if they wish to do so. Senator Faulkner is in order and may proceed.

Senator FAULKNER—I moved that motion deliberately in that form because I did want to make a comment about the nature of ministers’ answers in question time today and the behaviour of government ministers and government backbenchers during question time.

On this side of the chamber, we do not get precious about being called to order. We do accept that at times there is disorderly conduct in this chamber and we do acknowledge that at times opposition senators do breach the standing orders and you properly, presiding in the chair in this chamber, call those senators to order. We do not complain, and we accept that at times in fact opposition senators and other senators go too far and are properly asked to apologise for their actions. But I do want to say this about question time today, Madam President: we have had a situation where consistently and, in my view, unfairly and in an unbalanced manner we have had opposition senators, particularly our shadow ministers on this side of the chamber, called to order. I myself made a decision early in question time not to take a point of order, because there were a number of important questions the opposition wanted to ask in this question time today. As it transpired, we have not had an opportunity to do so.

Each and every question asked by the opposition during this question time has been treated as a joke by the ministers who have been answering them. They have treated this particular question time and this Senate with complete contempt. Question time is an opportunity for opposition senators and non-government senators particularly to hold the executive accountable. An important part of that process is you yourself, Madam President, behaving in a way which allows fair conduct of question time and a fair shake for all concerned. I point out to you, Madam President, that there were continual interjections from government senators, and only after Senator Schacht was suspended from the sitting of the Senate was a government senator—in this case a minister, setting another bad example—asked to withdraw and apologise. That is simply not good enough. If you check the Hansard record, Madam President, you will see that we consistently had a situation where government ministers did not address the Senate through the chair but were chiacking, criticising and shouting.
at and abusing opposition senators across the chamber. That has been the pattern in this question time, and you were quite right to point out on a number of occasions that there was disorderly conduct on this side of the chamber as well. There was; I acknowledge it. It was disorderly and it was proper for you to call those opposition senators to order.

But it was equally proper to demand the same standards of behaviour from the government, and I do not believe that occurred in question time today. I do not accuse you of being partisan in the way that you presided over question time today but I do believe it was grossly unfair. I do believe it was unbalanced, and it did seem to me as if a deliberate pattern of behaviour had been determined by the government—I do not say it was communicated to you, Madam President—before they came into question time today, and that was to abuse opposition senators asking questions, properly trying to hold the executive accountable in this important forum, in this chamber; namely, question time. It is not acceptable, and as far as the opposition is concerned we are going to do what we can to uphold proper standards in this place.

What we ask for is a fair go. What we ask for in this chamber is nothing other than balance and consistency. If we do the wrong thing we deserve to be criticised. Action should be taken. But if the government does the wrong thing, the same standards should apply to them. Madam President, I say respectfully to you today that that was not the case. It was not acceptable and I believe in presiding in question time today your performance was unbalanced.

Senator CRANE (Western Australia) (3.14 p.m.)—I will ignore that tirade from Senator Faulkner, because I think there are far more important things to discuss in this place.

Senator Conroy—You have to shuffle your trusts around, haven’t you, Winston?

Senator CRANE—I am going to talk about trusts because I want to know what you people are going to do and what your policy is, as does every Australian. The government has just withdrawn some draft legislation. I am speaking now in response to Senator Ludwig’s question today and yours yesterday, Senator Conroy, because I want to know and the Australian people want to know what you people are going to do. I have some simple questions to put on the record on the draft legislation and what you people are going to do.

This is the first issue you need to deal with: if a trust does not make a distribution to a member in any year, the member will not be considered a primary producer and any farm management deposit they hold will need to be repaid. What is your position on that issue? That was part of the draft legislation. You have a challenge now to tell the Australian people what you are going to do. Second, profits from death or forced sales of livestock can in certain circumstances be taxed under the profits first rule. I ask you again: what are you going to do? Remember, the former minister, John Kerin, was instrumental in bringing this on and changing this in this parliament. Are you going to walk away from your former minister’s position? What is your position on that?

Third, Landcare expenditure which increases the market value of the farm will be included in unrealised gains. What are you going to do? You need to give an answer to the Australian people. You need to tell us in this debate. This was all in the draft legislation which you, I know, have said you support. What are you going to do? What are you going to do if mum or dad puts a contribution into the family trust? Are you going to tax that when it is withdrawn? Are you going to have it taxed in the trust and taxed when it comes out? I am not talking about the rorting. There is provision right now in section 4A of the taxation act which can deal with that.

Opposition senators interjecting—

The PRESIDENT—Order! There are too many interjections.

Senator CRANE—Are you going to tax that when it is withdrawn? Are you going to apply double taxation? Are you going to have it taxed in the trust and taxed when it comes out? I am not talking about the rorting. There is provision right now in section 4A of the taxation act which can deal with that.

Senator Jacinta Collins—He isn’t speaking through the chair.
Opposition senators interjecting—

The PRESIDENT—Order! Senator Crane, you should address the chair and not address your remarks directly across the chamber, and senators on my left should cease shouting.

Senator CRANE—Thank you, Madam President, I appreciate and accept your ruling. It is very fair, but at the same time I was extensively provoked. I need to know what you are going to do. What is your position? What happens when your mother or father makes a contribution into the family trust? What is your position on succession trusts? This draft legislation would totally destroy—

Opposition senators interjecting—

Senator Patterson—Madam President, on a point of order: I have been here for 13 years and I do not think I have heard a senator abused across the chamber so consistently during the taking note of answers. I ask you to call the other side to order.

The PRESIDENT—Senators on my left know how they should be behaving. They should abide by the standing orders.

Senator CRANE—I have a little more information for those on the other side of this chamber, because we need to know. What is their position in terms of rollover relief provided for in all other forms of business, such as fixed trusts—

Senator Hill—We’d like to know their position on roll-back.

Senator CRANE—Yes, I think the position right now is rollover. There are many questions that need to be answered in terms of—

Opposition senators interjecting—

The PRESIDENT—Order! Senator Crane—

Senator Mackay—Go on!

Senator Faulkner—Get on with it.

The PRESIDENT—Senator Crane was called to order to allow order to be resumed in the chamber so at least I could hear what he has to say.

Senator CRANE—Through you, Madam President, I ask the Labor Party: what is their position on non-commercial loans within the family structure? Are you going to tax them? I have already said that there are mechanisms in place and those mechanisms can be strengthened, if required, to cut out the sort of rorting that you have raised. I do not support rorting, but trusts are a very important component of business structure in this country, today more than ever.

Opposition senators interjecting—

Senator Hill—Madam President, this debate was invited by Senator Faulkner and it is being responded to by Senator Crane, who is inviting a discussion of tax and tax policy. He should not be shouted down. He is entitled to put his case, and he cannot feel he is putting his case if every time he commences an argument he is shouted down from the other side. That is clearly disorderly. I know there is a little bit of stress around today, but that does not mean that those on the other side should not respect the standing orders and allow Senator Crane to have a fair go.

The PRESIDENT—Absolutely correct.

Senator McKiernan—Madam President, I wish to speak to the point of order. It is difficult. I have not been one of the people who has been provoked by Senator Crane’s speech here this afternoon, but he is directly asking questions of us on this side. Were I to be given the opportunity to stand up and answer the question, I would say that I do not have a family trust. I have got no pecuniary interest in the removal of that particular bill from the Notice Paper.

The PRESIDENT—There is no point of order. Senator Crane, be sure to address your remarks through the chair.

Senator CRANE—Madam President, since you have called me to order. I have looked at you every second and I have addressed my comments through you. I also make the point through you, Madam President, that I am not a member of any trust, so I sit alongside Senator McKiernan in that respect. What I was particularly concerned about with this piece of draft legislation was the fact that it was putting out the possibility of succession trusts, which are very, very important in long-term planning. The people on the other side have raised continually the trust question.
Senator Conroy—Are you a beneficiary?

Senator CRANE—No, I am not a beneficiary of a trust.

The PRESIDENT—Senator Conroy, you are out of order shouting across the chamber in that fashion.

Senator CRANE—Through you, Madam President, I have never been a beneficiary. We need to know, and the Australian people are entitled to know, what the Labor Party’s position is on such things as succession trusts. They have become a very important component part of the business sector of this country. (Time expired)

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (3.22 p.m.)—I wish to continue the theme that Senator Faulkner introduced when he spoke in this debate a few minutes ago. Before I do begin though, I think that I should make two points up front and frankly. The first point is that I think one of the hardest jobs in this place is to be the Presiding Officer in this chamber. The standing orders are a guide, and a sensible means of conducting the standing orders is also a virtue in a Presiding Officer. Like Senator Faulkner, I make no criticism of you, Madam President, and your conduct today. I have to say that from time to time you have pulled me up and asked me to withdraw and I have. I do so out of respect for you as a person but also out of respect for the chair.

The second point is that this is a parliamentary forum. Parliamentary forums in Australia are, by their very nature, robust chambers. I have been a participant in robust debate in this place and I make no apology for being a participant in a robust way. I certainly do not intend to change because that is the nature of this forum. But one does it within the standing orders and one obliges the chair when necessary. None of us should be pretending to be a shrinking violet, and I do not. I do agree absolutely with what Senator Faulkner said earlier: it is quite clear from the way the government conducted themselves today that they were sensitive and that they were on toast as far as perceptions of their own reliability and of keeping their own word with the electorate are concerned. They came in here with a clear plan to be provocative, to disrupt question time, to then provoke the opposition and to try to victimise opposition senators. Unfortunately, they succeeded in that insofar as Senator Schacht is concerned.

Through question time today there were numerous examples of ministers directly addressing themselves to members of the opposition. Indeed, Madam President, you had occasion to speak to me directly and I acknowledge that. I thank you for bringing me to attention. Prior to your doing that, Senator Hill, who was at the table and who moved the motion to expel Senator Schacht from this chamber, breached standing orders quite explicitly and directed to me personally, in direct terms across the chamber, provocative comments to which I, unfortunately, responded.

Senator Hill—What did I say that was so provocative?

Senator COOK—I was the one that got named, and not Senator Hill, for the original breach. I mention that not to personalise it but as an example today of the sort of conduct that we were being subjected to.

Senator Hill—It was standing orders.

Senator COOK—You interject again.

The PRESIDENT—Senator Hill, Senator Cook has the call.

Senator COOK—I also make the point that Senator Hill, who was the one who moved the motion to expel Senator Schacht from this chamber, got up as soon as that occurred and said he had nothing to add to the answer that he had given to Senator Faulkner, when he had not given an answer. One wonders what the meaning of the standing orders is. When you look at the rules for questions, standing order 73(4) says:

In answering a question, a senator shall not debate it.

What did Senator Hill do? He got up and debated it. What does Senator Kemp do invariably? He gets up and debates the question. What do the opposition questions call for, in breach of what I think the standing orders set out quite clearly? They call for statements on government policy, and gov-
ernment ministers get up and make statements about government policy. When that type of conduct is permitted, it is easy to see that perhaps the chair has accepted that type of conduct as permissible and that flexibility in the interpretation of the standing orders as reasonable.

If we respond to that type of standard in a way in which we are entitled to but then get picked on and suspended, as in the case of Senator Schacht, I think it is quite fair to say that, as happened today, the proceedings of this chamber are being conducted in a manner which unfortunately and regrettably attracts the term ‘unbalanced’ as a description of the management of affairs. I think the responsibility is with the government. This is question time; this is questions of the executive. When they are asked a direct question they should answer it. But all too often what the government do is try and carpet the answer with all sorts of obfuscations and never face up to the question. They are supposed to provide information and it is about time they were made to. (Time expired)

Senator MASON (Queensland) (3.27 p.m.)—This is the first time this year I have had the distinct pleasure of taking note of answers. I was criticised often by my friend Senator Carr last year for being too harsh on the Labor Party. I made a new year’s resolution to be nice to the Labor Party.

Senator Gibbs interjecting—

Senator MASON—But, Senator Gibbs, I decided that it was a non-core resolution and that again I am going to go in hard because of the disgraceful performance of the Labor Party here this afternoon.

Senator Sherry interjecting—

Senator MASON—Senator Sherry, I take your interjection. I am used to being unloved; I am from Queensland. So it is all right.

Senator Conroy—Bob Tucker speaks well of you.

Senator MASON—I know he does. The interesting point about politics today is not so much question time and the debate that goes on but the fact that the Labor Party stand for—

Opposition senators interjecting—

The PRESIDENT—Order!

Senator MASON—Do not worry about the interjections, Madam President, I am all right. The Labor Party stand for government policy modified by the most recent opinion poll. That is what they stand for. They stand for nothing. During the 1980s, even during the nadir of the Liberal Party, we always stood for something, and that agenda, largely, over the last 20 years, has been completed. They stand for nothing. The Right of the party stands for absolutely nothing except the most recent opinion poll and the Left, of course, got the 20th century wrong. The Labor Party are a joke in terms of political development in the Western world. Mr Beazley has had five years to carve out a policy and he has not come up with one thing. He has not come up with one policy that he believes in. He just waits for the next Newspoll. He reads the Australian every second Tuesday to get it. It is the most pathetic performance of an opposition leader that I can remember.

The greatest weakness of the Labor Party is this: they expect the Australian people to believe what they say. But remember what they did. What did they do? They bankrupted this country when they were in government: $80 billion in the last five years of their term of government. They were the most disgraceful government in years: $10 billion in the last year. They have the audacity to get up and criticise this government about anything to do with the economy, and it is a most hypocritical and disgraceful performance.

Senator Hill—Madam President, I rise on a point of order. Unfortunately, the honourable senator is having to raise his voice to be heard over the interjections from the other side. Such interjections are disorderly, and I would respectfully suggest that you ask those on the other side to quietly listen to this very thoughtful presentation.

The PRESIDENT—Order! I think those on my left know perfectly well how they ought to behave in the chamber.
Senator MASON—That is quite right. I feel intimidated by the Labor Party. Who can forget the interest rates of 17 per cent?

Senator Calvert—Or 28 per cent.

Senator MASON—Or 28 per cent. There were farmers paying bills when interest rates were around 20 per cent. Who can forget that? That is what the Labor Party did. What about inflation? No-one could invest because of high inflation. What was the unemployment rate when Mr Beazley was the Minister for Employment, Education and Training?

Senator Calvert—A million.

Senator MASON—That is right—it was over a million. Yet this government has created 800,000 jobs in the last five years. On economic policy, the opposition, the so-called alternative government, do not even rate. But greater than the economic failure is the moral failure. It is the moral failure that is absolutely appalling. The Australian Labor Party failed to back tax reform when they knew it was necessary. They failed to stand and defend the wholesale sales tax when, over the last 20 years, people from the Labor Party such as Mr Keating, Mr Evans and many others supported it. To then scab lift the necessary changes to implement that tax policy is absolutely pathetic. They did it—and this is the worst part—knowing it was necessary for the good government of this nation, and that is absolutely loathsome and absolutely pathetic. Never listen to what the Labor Party say; remember what they did in government.

Senator CONROY (Victoria) (3.32 p.m.)—It is almost too hard to follow that one. I am considering giving up my five minutes following that intellectual rigour! We have here today a government in full policy backflip mode. They are desperate. They have rolled back so far that they have rolled over themselves. We have seen a new attitude, and I absolutely agree with my leader’s and deputy leader’s comments. It was witnessed last week in estimates for the first time. The government are in full-scale panic over their devastating losses in Queensland and in Western Australia. The Queensland Liberal Party are in such bad shape they do not even make up a beach volleyball team.

We saw a Rambo attitude from ministers last week in estimates. There was some quite disgusting behaviour, with ministers standing over committee chairs who would not deal with the committees in the way the ministers wanted. Now they are attempting to do it again in this chamber. They are standing over MPs and senators across the parliament to try to gag debate. It is quite shameful, and I call on you, Madam President, to resist their pressures. They are in such a poor state and in such a policy freefall that they have nowhere else to go but to try to shut down this parliament and to cause as much grief in here as they can. Yesterday we saw Senator Kemp forced to withdraw some quite unparliamentary language. It went on all last week, and the reports from other committee members are that the government ministers were quite intimidatory of the government chairs and quite disgraceful in their behaviour.

This week we have seen an attempt to cover up the government’s most shameless backflip, and that is on trusts. We saw the evidence in the Sydney Morning Herald this week, particularly about Sydney lawyers. Funnily enough, how many lawyers are there on the front bench of this government? There are 10 or 12 on the front bench. The government have a massive conflict of interest on trusts, and they cannot bring themselves to introduce taxation measures that actually make the trusts pay some tax. That is what has gone on in here today.

We have had Senator Crane on his feet a couple of times wanting to talk about trusts and the rorts that have gone on. ‘It’s okay,’ he says, ‘I agree the Sydney lawyers are a problem,’ and yet his entire frontbench are lawyers. We have seen a backdown. We have seen them rat on an agreement. Why are we in this position? Because, when the Democrats had the chance to nail the government on trusts, they let them off the hook. They did not insist that trusts be taxed, when the ANTS package recommended it. The government caved in and the Democrats rolled over, so we got rushed off to Ralph. What did we do with Ralph? We said, ‘We take you at face value.’ You give it to us in writ-
ing that you will tax trusts, and we will support the package on a revenue neutral basis. What did we see this week? A cowardly backdown in the face of policy panic from the government. No wonder Jeff Kennett called Peter Costello a dog. That is what he has done to us: he has dogged on his agreement with us.

The PRESIDENT—Mr Costello, Senator.

Senator CONROY—Sorry, Madam President. That is why Jeff Kennett called Mr Costello a dog: because he has dogged on his agreement with us. That is what is going on here today. They are trying to cover up that they are not interested in making their mates, the members in their branches, actually pay some tax. They are not interested in doing anything other than ripping $8 off grannies. That is what they are doing in the welfare area: they are taking $8 to $10 from grannies. But they are not too prepared to take $8 to $10 off the top end of town. What is at stake here is policy fairness and not being dogged on in written agreements by this Treasurer. The government are desperate, and they should be seen for what they are—desperate. They have backflipped on petrol. They have backflipped on BAS. Do not think you have fixed the BAS problem and what you have done to small business in this country. You just have to pick up—

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

Senator CONROY—Thank you. I appreciate your drawing that to my attention, Madam President. That is exactly right. On the BAS issue, the government think they have fixed the problem, but they have not. The cash flow crisis that they have inflicted on small business is about to hit in the next quarter, so we are going to see another pathetic backdown in a few more weeks time. They have not fixed the problem, and they are deliberately trying to distract us from that with their behaviour in the chamber and the estimate process. The performances last week were quite shameful. Madam President, I wish you could have seen some of them. But the Democrats should not escape here. The Democrats have participated in a disgraceful act today. It is not good enough for Meg Lees to gag the party—

The PRESIDENT—Senator Lees.

Senator CONROY—Thank you, Madam President. It is not good enough for Senator Lees to gag her own party. (Time expired)

Question resolved in the affirmative.

GENETICALLY MODIFIED CROPS
Motion (by Senator Brown)—by leave—agreed to:

That the Senate—
(a) condemns the failure of the Government and the Gene Technology Regulator to monitor and safely control 58 sites of genetically-modified crops in Tasmania associated with foreign companies, Aventis and Monsanto; and
(b) calls on the Minister for Health and Aged Care (Dr Wooldridge) to provide the Senate, by the next day of sitting, an explanation for his failure and details on:
(i) what prosecution or other legal action is being taken,
(ii) what urgent moves have been set in train to contain spread of genetically-modified material within and beyond the 100 metres buffer zone for the crop area,
(iii) when and how the Minister was informed and when and how he reacted,
(iv) the potential damage, direct and indirect, to Tasmania’s agriculture sector, in particular its growing organic produce sector’s well-being, and
(v) all approved, current and previous, genetically-engineered sites in Tasmania.

COMMITTEES
Reports: Government Responses

Senator ELLISON (Western Australia—Minister for Justice and Customs) (3.39 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—
Government Response to the Foreign Affairs, Defence and Trade References Committee report on Japan's Economy: Implications for Australia.

The Government thanks the Joint Foreign Affairs, Defence and Trade References Committee for the comprehensive consideration given to Japanese economic developments and their implications for Australia in its report Japan's Economy: Implications for Australia. The Report makes fifteen recommendations. The Government’s response to these recommendations is provided below.

Recommendation 1 - Chapter 4, page 88

The Committee recommends that the Australian Government take this opportunity to reaffirm its long-term and sincere commitment to the Australia-Japan partnership.

The Government welcomes the Committees’ recognition of Japan’s fundamental importance to Australia for political and strategic, as well as economic reasons, and agrees to utilise all available dialogue channels to reaffirm its long-term and sincere commitment to the Australia-Japan partnership.

Australia and Japan have enjoyed excellent relations for a long period. We have worked hard to build a fully-rounded and diverse partnership, with the cooperative advancement of various interests, including important economic, political and, increasingly, security elements. Over the past year visits to Japan by the Prime Minister, Mr Downer and Mr Vaile improved Japan’s understanding of Australia’s position on key issues and helped coordinate Australian and Japanese approaches to world affairs. As well as the regular senior officials talks between the Department of Foreign Affairs and Trade (DFAT) and Japan’s Ministry of Foreign Affairs, Australia also engages in official dialogue with Japan in areas of interchange as diverse as aid cooperation, disarmament issues and maritime issues, as well as the various sectors of the trade relationship. Our growing strategic and security relations with Japan are underlined by annual Australia-Japan Political-Military and Military-Military talks. Australian political leaders and senior officials, in the context of these fora, have continuously affirmed - publicly and privately - the Australian Government’s long term commitment to the relationship, and the highest priority which we attach to it.

The Government is strongly committed to not only maintaining, but also working to strengthen this close bilateral relationship. For example, on 6 October 2000 the Minister for Trade, Mr Mark Vaile, announced a new study to identify ways to strengthen Australia-Japan economic relations. The Japanese Ministry of International Trade and Industry (MITI) is commissioning a parallel study. The studies will be finalised in March 2001, ahead of the Australia-Japan Conference, to be held in Australia in late April 2001. The Conference will aim to set new directions for Australia-Japan relations.

Recommendation 2 - Chapter 6, page 134

The Committee recommends that the Australian Government encourage further joint research and development between Australia and Japan in the area of resource development and environmental protection.

Australia has had long standing cooperative arrangements with Japan in research and development in the area of resource development and environmental protection. We will continue to be open to new opportunities to engage in joint research and development between Australia and Japan in this area.

Energy Research and Development

The main area of research in energy research and development centres on the coal sector.

In September 1978 Australia and Japan, through an exchange of Notes Verbale, agreed to initiate cooperation in the field of energy research and development encompassing cooperation in the areas of coal, solar energy and energy conservation. This agreement provides for annual consultations between Australia and Japan to promote technology transfer and cooperative activities. These consultations provide a framework for the development and approval of cooperative projects. Cooperative projects are now identified mainly by the Australian and Japanese proponents, with the relevant government agencies from both countries playing facilitating roles.

Other cooperative agreements have been developed under the Notes Verbale, including an umbrella agreement between CSIRO and JCOAL, which supports several joint coal and environmental research projects in Australia, and regular exchanges.

Investment by Japan in cooperative energy research and development projects in Australia currently stands at $18-23 million over the next 3-4 years. There are ongoing projects in the areas of coal exploration, ultra clean coal technologies, efficiency of coal development and production, coal mine safety, photovoltaic modules and fuel cells. The ultra clean coal (UCC) project with Japan was boosted considerably with the investment of funds from the R&D Start Program in a demonstration plant. This support from the Australian Government was instrumental in the Japa-
The vast bulk of the ongoing energy collaboration with Japan is in the coal area and is likely to continue to be so, although there has been significant collaboration on renewables under the Notes Verbal. MITI and the Australian Minister for Industry, Science and Resources discussed two new project proposals when they met in March 1999, and agreed that officials should progress these projects through to fruition in accordance with normal assessment criteria. One project deals with mine rehabilitation through forest planting at the Ensham coal mine in Queensland. The other project concerns mine planning and greenhouse emissions control at a mine in the Hunter Valley in NSW.

Future cooperation will be determined by proponents from both sides identifying projects of mutual interest, and investment by Japan based on its perception of benefits in the form of development/testing of new technology and development of competitive supplies of coal/renewables. Australian contributions to projects has been mainly of an "in kind" nature, with benefits seen in terms of, for example, increased knowledge of coal resources, employment of local Australian contractors, and development of Australian technology applicable to Japan.

Australia and Japan have also been cooperating to progress the work program of the APEC Energy Working Group. This includes projects relating to clean coal technologies, renewable energy sources and energy efficiency. Japan’s New Energy and Industrial Technology Development Organisation (NEDO) has provided a US$500,000 grant to progress cooperation in clean coal technologies, and has also co-sponsored several APEC seminars, including a number on renewable energy. The annual APEC Coal Flow Seminar series was initiated under cooperative arrangements between Australia and Japan and until recently was jointly funded by MITI and the Department of Industry, Science and Resources (DISR). Australia also cooperated closely with Japan in Phase I of the APEC coal mine gas project in China.

**Non-Energy Minerals**

Japan is Australia’s major market for its mineral products. Japanese companies are joint venture partners in a number of Australian mining projects, notably coal, iron ore, base metals and bauxite (e.g., Itochu, Marubeni, Mitsubishi, Mitsui & Company, Nippon Mining, Nippon Steel, Nisho Iwai, Sumitomo Corporation).

The Metal Mining Agency of Japan (MMAJ), a semi-government agency within MITI, was established to ensure the stable and long-term supply of mineral resources to Japan. MMAJ undertakes a range of programs, including technological research and development into exploration techniques notably seabed exploration and mining, treatment of acid mine drainage, and environmental management.

The Australian Geological Survey Organisation (AGSO) has had a long and ongoing association with MMAJ. Several AGSO staff have visited MMAJ in Japan under the MMAJ visiting experts program, and MMAJ have contracted AGSO, BRS and CSIRO to undertake selected reviews of specific commodities and/or developments in exploration methods.

**Recommendation 3 - Chapter 6, page 150**

The Committee recommends that the Australian Government, with renewed effort, seek the cooperation of countries such as Japan to reinvigorate the APEC process in setting down achievable goals toward the realisation of trade and investment liberalisation.

Australia and Japan remain firmly committed to working within the APEC forum to achieve trade and investment liberalisation in the Asia-Pacific region. In Auckland in November 1999, APEC Economic Leaders and Ministers reaffirmed their commitment to achieving the Bogor Goals of free and open trade and investment by 2010/2020, a commitment echoed by APEC Ministers Responsible for Trade at their meeting in Darwin in June 2000.

A range of initiatives has been put in place recently to ensure that APEC remains on track to reach the Bogor targets. A number of these enjoy the active support and cooperation of Japan, including the introduction of an electronic IAP system, a new and expanded program of work for the APEC Market Access Group and seminars on investment and competition policy. In addition, Japan has played an important role in ensuring continued APEC support for the early launch of a new round of comprehensive WTO negotiations (affirmed by APEC Ministers Responsible for Trade) including preparatory work on industrial tariffs. The Government will continue, wherever possible, to cooperate with Japan in the APEC forum to achieve these goals.

In addition to APEC-wide liberalisation measures, Australia is working with Japan to strengthen the operation of markets in the region. The Government recognises the importance of such measures to delivering the full benefits of trade and investment liberalisation, and will con-
continue to work with Japan, and other APEC economies, to encourage such action.

Recommendation 4 - Chapter 6, page 151
The Committee recommends that the Australian Government urge like-minded countries seeking greater liberalisation in agricultural trade to lobby for the commencement of the new round of WTO trade talks at the earliest possible date.

The Government welcomes the Committee’s recognition of the need for Australia to urge a new round of World Trade Organization (WTO) trade talks. Although a new round launch is unlikely before 2001, the Government is using all avenues bilaterally, regionally and multilaterally, to rebuild momentum towards a new market-access-focused round, concentrating on further liberalisation in agriculture, services and industrials.

Since Seattle, Australia has been exploring the scope for flexibility between members to achieve greater convergence on unresolved issues. Building coalitions of support for realistic approaches, particularly among middle ranking economies, seems to offer the best prospect of moving forward. In agriculture, the Government has been instrumental in securing timely work programs for the mandated negotiations which began in early 2000. The Cairns Group, led by Australia, remains a cohesive and important force for agricultural trade liberalisation in the WTO.

Recommendation 5 - Chapter 6, page 157
The Committee recommends that the Australian Government commission a comprehensive study into the Australian tourist industry, using Japanese tourists as a case study, and keeping in mind their low level of repeat visits to ascertain how it can improve the standard of delivery of tourist services and broaden its overseas image.

The Government supports, in principle, undertaking studies that will help improve the standard of delivery of tourist services and assist in broadening our overseas image.

Through its relevant portfolio agencies the Government will continue to ensure that policies and programs are in place that will assist the tourism industry to overcome impediments to inbound tourism and improve the industry’s ability to maintain a competitive edge.

The Australian Tourist Commission (ATC) regularly reviews its marketing strategies in overseas markets and will continue to do so. In relation to the Japanese market the ATC’s primary branding strategy has recently undergone significant modification and is moving from the traditional reliance on television advertising to strategic alliances with industry and non industry partners. Additionally, the ATC will influence Japanese consumers by using endorsements from influential identities, such as celebrities, opinion leaders and top names in specific fields. Trade development strategies will focus on influencing and educating appropriate levels of the travel industry that generate business to Australia.

The Australian Government recognised the need to ensure that standards are continually improved in the inbound sector to provide the best possible tourism experience for international visitors. To this end, the Federal Government supported the establishment, under the auspice of Tourism Ministers’ Council (TMC), of a National Inbound Taskforce comprising representatives from industry, the Commonwealth, Queensland, New South Wales and Victoria. The Taskforce will address issues such as inbound tour operator accreditation, consumer education, the role of existing legislation governing inbound practices as well as possible new State legislation. The Taskforce will report its findings to the TMC in mid 2001.

The Government is also working with major tourism industry bodies to develop an industry accreditation system to improve the quality and standard of Australia’s tourism industry, and to develop a benchmarking study for the inbound tourism operator sector of the industry.

Recommendation 6 - Chapter 6, page 161
The Committee recommends that the Australian Government confer with State Governments to ensure that educational institutions offering ELICOS (English Language Intensive Courses for Overseas Students) maintain high standards in education and the service they deliver to overseas students.

In August 1999 the Minister for Education, Training and Youth Affairs, Dr David Kemp, announced a review of the Education Services for Overseas Students (Registration of Providers and Financial Regulation) Act 1991 (ESOS Act 1991), to be conducted by the Department of Education, Training and Youth Affairs (DETYA), in cooperation with the Department of Immigration and Multicultural Affairs (DIMA).

The review considered various issues facing the education/training export industry, and proposed reforms to strengthen the regulatory framework. Inconsistent quality assurance and integrity were among the issues addressed by the review in order to strengthen public confidence in Australia’s education export industry. The review focused on developing regulatory and administrative changes, with a “whole of government” focus.
The review team met with State and Territory departments of education, industry and other Commonwealth departments in a series of national and bilateral meetings and consultations. It considered a range of options to further enhance Australia’s reputation as a provider of high quality education and training for overseas students.

On 30 August 2000, the Minister tabled five reform Bills in the House of Representatives. These include:

- Education Services for Overseas Students Bill 2000 (new ESOS Act);
- Education Services for Overseas Students (Assurance Fund Contributions) Bill 2000;
- Education Services for Overseas Students (Registration Charges) Amendment Bill 2000;
- Education Services for Overseas Students (Consequential and Transitional) Bill 2000; and the
- Migration Legislation Amendment (Overseas Students) Bill 2000.

The ESOS Bill 2000 will establish a legally enforceable National Code of Practice. The code is currently being developed with the States and Territories and industry associations. States and Territories will have to certify compliance with the code in order that a provider can be registered and remain registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS). Unless registered on CRICOS, a provider will not be permitted to teach students on student visas.

The National Code sets standards for matters such as educational facilities and resources, marketing, monitoring and assessing student performance, refund policies, grievance procedures, as well as student support services. It also sets requirements for the registration of providers, including where there are subcontracting or franchising arrangements, in order to ensure consistency across the States and Territories. When the National Code takes effect, the Commonwealth will continue to work with the States and Territories by referring to them matters requiring investigation (where education providers appear not to be meeting the National Code requirements).

ELICOS courses are accredited by the National English Language and Training Accreditation Scheme (NEAS). This accreditation is used as a basis by all State and Territory governments for their accreditation for CRICOS purposes. (The NSW Government has delegated authority to NEAS).

NEAS accreditation requires an institution to conform to minimum quality standards for teaching the English language to overseas students. NEAS accreditation ensures that courses adhere to set standards, including class size limits, the professional qualifications of teachers - including specialist Teaching English to Speakers of Other Languages (TESOL) qualifications - up-to-date teaching methods and services to assist overseas students with accommodation, orientation and welfare counselling.

NEAS also consults with State, Territory and Commonwealth Governments on issues relating to English language teaching and the international student program. Once the ESOS National Code comes into effect, NEAS will have to assess ELICOS courses in conformance with it, for the purposes of registration of providers on CRICOS.

The new ESOS legislation, and in particular the National Code, will continue the strong working relationship that exists between the Commonwealth, State and Territory governments. This strengthened regulatory framework for education/training export services in Australia will ensure that State-approved courses for overseas students (including ELICOS courses) conform to strict quality and delivery standards.

Recommendation 7 - Chapter 7, page 178

The Committee recommends that the Australian Government continue to work with Japan through various programs, including the Supermarket to Asia Council and through Japan’s Deregulation Promotion Program, to facilitate trade between the two countries.

The Government notes with appreciation the Committee’s support for the range of programs with which Australia engages Japan, its largest agrifood market. The Government agrees to continue its work through various existing programs, including the Supermarket to Asia Council and through Japan’s Deregulation Promotion Program, to facilitate and promote trade between the two countries.

The Government continues to support industry in developing further market opportunities in Japan through various programs, such as the Supermarket to Asia Strategy, which includes the Technical Market Access Program. Under this program, an Agricultural Counsellor based in the Australian Embassy in Japan, who is currently employed by the Biosecurity Australia unit of Agriculture, Fisheries and Forestry Australia (AFFA), supported by technical specialists in Canberra, works with Japanese authorities to maintain and increase our food exports by addressing technical impediments to the trade. The Department of Agriculture, Fisheries and Forestry also maintains representation in Japan through an Agricultural Minister-Counsellor to improve Australian market
access and to ensure gains already made are not eroded.

Australia has made regular submissions to the Regulatory Reform Commission, which is the principal advisory body for Japan’s Deregulation Promotion Program. The Commission identifies priority areas for reform and makes specific recommendations to the government about deregulation. Our submissions to the Commission allow the Australian Government the opportunity of influencing regulations affecting market access in Japan. The Japanese Government has announced that it will continue its rolling program of regulatory reform beyond the current three-year phase, which concludes in April 2001. This will keep open an important mechanism for Australia to pursue key market access issues. Australia will also continue to work toward improving market access for Australian exports by taking up specific market access problems with the Office of the Trade and Investment Ombudsman.

Recommendation 8, Chapter 7, page 179

The Committee recommends that the Australian Government persist with its efforts to harmonise standards and conformance procedures with Japan bilaterally and throughout the region.

Australia, through DISR, has been an influential force in the significant achievements of the APEC Sub-Committee on Standards and Conformance (SCSC) in addressing and reducing technical barriers to trade in the region. For example, DISR has played a key role in developing the APEC Mutual Recognition Arrangement on Conformity Assessment of Electrical and Electronic Equipment (APEC Electrical MRA), which is estimated to deliver cost savings of around 5 per cent of total production. Moreover, Australia has also had a leading role in the development of the APEC Information Notes on Good Regulatory Practice. These Notes, having been endorsed by APEC, will serve as an important resource for policy makers in other APEC economies in the area of regulatory reform which, in the future, will facilitate greater market access for Australian exporters.

The identification and reduction of standards and conformance-related barriers to trade for Australian industry is a key component of the DISR portfolio’s market access priorities. This work involves a range of activities, including active participation in the WTO’s Technical Barriers to Trade Committee and the APEC Sub-Committee on Standards and Conformance, as well as assisting Australian Technical Infrastructure bodies to gain recognition for Australian test reports and certificates in overseas markets. It also involves considering the potential for bilateral mutual recognition agreements (MRAs) on conformity assessment with some of Australia’s key trading partners. MRAs improve market access for exporters by reducing or eliminating the risks, time delays and costs associated with duplicative product testing and certification to obtain regulatory approvals for entry into foreign markets.

The process of investigating the establishment of MRAs is in itself constructive in exposing barriers to trade and encouraging the necessary preparatory work towards their removal. This is particularly important where the technical and regulatory regimes of the countries involved are substantially different. In all cases it is necessary for each party to establish sufficient confidence that any agreement will continue to provide protection for the health and safety of its citizens and for its environment.

Informal discussions between Australian and Japanese officials began in 1996 concerning a possible broadly-based bilateral MRA on conformity assessment. Possible legal difficulties in negotiating a Japan-European Community MRA exist and may have implications for an Australia-Japan MRA. An information exchange between Australia and Japan is ongoing, with a view to identifying what form of MRAs would be most effective in facilitating and promoting bilateral trade.

Recommendation 9 - Chapter 7, page 199

The Committee recommends that the Department of Foreign Affairs and Trade consult with representatives from cities involved in a sister city relationship to develop strategies that will help them forge better trade ties with their respective sister city in Japan.

DFAT and the Australia-Japan Foundation (AJF) have played an integral role in expanding the sister-city network between Australia and Japan. There are now more than 100 such relationships registered with the Foundation.

DFAT notes the Committee’s recommendation that more might be done with sister-city relationships to expand economic and trade relationships. To achieve this goal, municipalities might play more positive roles in group-based trade promotion, such as participation in missions and delegations arranged by the states or federal agencies.

However, it should be noted that the strength of sister-city relationships lies in promoting and building valuable long-term people-to-people relationships. Building the groundwork for commercial activities is obviously an important aspect of sister-city relationships, but many of their
benefits occur in areas such as culture, education and tourism.

Recommendation 10 - Chapter 7, page 204

The Committee recommends that the Department of Foreign Affairs and Trade analyse and evaluate the existing means it uses to promote Australia’s image internationally with a view to implementing measures that will raise Australia’s profile overseas and convey more effectively an image of Australia that reflects its strengths and potential.

DFAT regularly reviews and evaluates its strategies for promoting Australia’s image internationally.

In 1999, DFAT conducted a broad review of its responsibility to promote Australia internationally in 1999. This resulted in the creation of a new Images of Australia Branch in April 1999 which, among other things, was tasked with spearheading a more effective and better coordinated departmental effort to project a positive image of Australia internationally.

A major focus of the Branch’s activity has been to strengthen and broaden Australia’s already strong international standing. At the same time, the Branch has built on the Department’s capacity to identify and counter misleading perceptions of Australia, particularly those, which may threaten damage to Australia’s interests.

DFAT also plays an important role in supporting the Australian International Cultural Council (AICC) chaired by Mr Downer, which brings together representatives of the arts and business communities as the Government’s key advisory body to find more effective ways to promote Australia internationally through its distinct and vibrant culture. The AICC’s strategies are coordinated and implemented by the Commission for International Cultural Cooperation (CICC), comprising stakeholder agencies (such as the ATC and the Australia Council), and chaired by DFAT.

The recent international attention on Australia during the Sydney 2000 Olympic Games provided DFAT with an unparalleled opportunity to work closely with other Australian government departments and agencies to promote a broader and more coherent image of Australia’s strengths internationally. This was done through the production of a wide range of public affairs material, the coordination of special events and presentations for visiting international media, visits programs and other activities. The Tokyo Embassy has a proactive program of activities to use the Games to promote Australian interests in Japan, adopting a “Team Australia” approach involving major players such as the ATC, Meat and Live-stock Australia, State Government representatives and the Australian New Zealand Chamber of Commerce in Japan.

Much of the material and the majority of the presentations dealt with issues raised with or by the committee, including Australia’s investment and trade potential. Other issues covered included Australia as a centre for global finance, the information economy, education, environment, workplace relations, culture and the arts, transport and satellite navigation and indigenous policies.

The AJF and the Japan Cultural Program contribute significantly to raising Australia’s profile, and promoting Australia in Japan as a source of excellence and innovation in all aspects of culture, particularly education, the arts, sports, literature and lifestyle. The AJF develops and implements innovative, targeted projects, which focus on achieving medium to long-term outcomes. Two core projects - the Australia Web (which contains information, primarily in Japanese, about Australia on the Embassy-managed home page) and the Australian Resource Centre - complement and support other activities, providing an interlinking and cohesive representation of Australia in Japan.

The Cultural Program of the Tokyo Embassy, through a targeted and structured approach, focuses on the promotion of contemporary Australia in all its aspects. The program features export-ready cultural content across all genres that exemplifies Australia’s strengths as an innovative, creative and culturally sophisticated society. It also makes intensive use of the Internet and a variety of multi-media opportunities. This program is regarded as best practice by the Australia Council for the Arts.

In addition to broader DFAT reviews, major Australian diplomatic missions such as the Australian Embassy in Tokyo are required to report regularly (twice a year) on the outcomes, effectiveness and costs of their major public diplomacy activities. These reports are used as the basis for fine-tuning individual country promotional activities. As part of this process the evidence given to and the recommendations made by, the Committee will be taken into account.

Recommendation 11 - Chapter 8, page 225

The Committee recommends that the Australian Government, through its numerous institutional arrangements with Japan and its network of political, official and business contacts, encourage Japan to step forward as a regional leader to guide and assist its neighbours to establish a more open trading system in the region.
The Government welcomes the Committee’s recommendation and undertakes to continue to encourage Japan to lead others in the region to establish a more open trading system. The Government will continue to work in multilateral fora, including the WTO and APEC, to promote Japanese leadership, and, on issues where we share a like-mindedness, encourage and support Japanese-led initiatives in such fora.

Australia has worked closely with Japan over the past twelve months within the APEC forum on mutual priorities such as strengthening legal infrastructure and improving economic and corporate governance. We collaborated on a major project to improve capacity in developing APEC economies to implement WTO agreements.

**Recommendation 12 - Chapter 8, page 225**

The Committee recommends that the Australian Government take care not of the trade tensions that exist between the United States and Japan and maintain and strengthen dialogue with both countries to ensure that any attempt by the United States to use political leverage to negotiate a managed trade agreement with Japan does not harm Australia’s interests.

The Government supports the Committee’s recommendation that we should work to prevent Australia’s interests being harmed by any potential United States-Japan managed trade agreement or arrangement. We will continue to use established dialogue channels with both countries to achieve this aim, and will also work to identify and utilise to best possible advantage any new channels through which we can protect Australia’s interests.

The Government took steps in the past to ensure that the United States-Japan auto and auto parts agreement was settled on a most favoured nation basis in a multilateral forum. With the expiry in December 2000 of this agreement, the Government will use all available dialogue channels to ensure a similar positive outcome for Australia.

More recently, the establishment of a Trade Law Branch within the DFAT reflects the Government’s broad commitment to preventing harm to Australia’s interests. A dispute between Japan and the United States at the WTO concerning Japan’s quarantine requirements for testing of individual varieties of fruits subject to infestation by codling moth illustrates the concern expressed by the Committee. The Trade Law Branch closely follows the developments in that dispute precisely to ensure that Australia’s trade interests are protected in any arrangement that may be agreed by Japan and the United States.

**Recommendation 13 - Chapter 8, Page 227**

The Committee recommends that the Australian Government take an active part in persuading other APEC members, especially Japan, to become more actively engaged in the APEC process with the aim of strengthening regional cooperation and enhancing dialogue between member economies.

Australia will continue to utilise all relevant opportunities for bilateral dialogue with Japanese officials to encourage continued strong engagement in the APEC process to strengthen regional cooperation.

Over its ten years of operation, APEC has developed a strong spirit of cooperation and goodwill between its members through a range of mechanisms to promote joint activity and enhance dialogue between member economies on a number of levels.

The Government is pleased to see during this past year Japan’s continued active involvement in the APEC process, particularly in the area of strengthening regional cooperation. The last twelve months have seen close collaboration between Australia and Japan on mutual priorities in the region, including improving economic and corporate governance; strengthening legal infrastructure, overcoming the ‘digital divide’ and a major project to improve capacity in developing APEC economies to implement WTO agreements.

**Recommendation 14 - Chapter 9, page 237**

The Committee recommends that the Australian Government introduce incentive schemes, such as scholarships, to encourage tertiary students to undertake the study of Japanese language combined with Japanese studies.

The recent report of the Australian Academy of the Humanities entitled “Subjects of Small Enrolment in the Humanities: Enhancing their Future”, notes that courses in Japanese language are available at 35 Australian universities which suggests that potential students in most States and Territories have a range of course options to pursue.

However, the nub of the recommendation pertains to the desirability of Japanese language students also studying Japanese studies. Submissions to the Senate Committee drew attention to apparent inadequacies in course design, which result in graduates whose language proficiency and knowledge of Japanese culture and society are not fully developed. These views are also echoed in the Academy’s report. As universities are autonomous self-accrediting institutions, matters related to curriculum development and course
design are the responsibility of universities rather than government.

The Commonwealth does not intervene through the provision of incentives, including scholarships, in any other discipline in the higher education sector. It would seem from the concerns addressed to the Senate Committee that the issues would be better drawn to the attention of universities so that they could consider amending courses as appropriate and consider whether university-based incentives could be used to attract students into particular streams of study.

Recommendation 15 - Chapter 9, page 237
The Committee recommends that the Australian Government adopt a policy that clearly encourages and facilitates the exchange of academics, business people and public servants with expertise or experience in Japan among business organisations, public service and research institutions in Australian and between counterparts in Australia and Japan.

The Government notes the Committee’s recommendations and will continue to encourage, where possible, exchanges of academics, business people and public servants.

At present, there are over 260 formal agreements between Japanese and Australian academic institutions, 76 per cent of which include research and academic exchanges.

The AJF is actively working with Australian and Japanese academic institutions to create a virtual community for exchange using the Internet. Test-bed programs will commence in December 2000, with roll-out scheduled to commence to participating institutions from April 2002.

Austrade and respective state government industry and trade promotional bodies will continue to encourage and provide advice and information to the business sector in its own efforts to establish and maintain personnel exchanges.

A number of Federal government agencies have staff exchange agreements with Japanese counterparts, including DFAT, DETYA and AusAID. The AJF facilitates the placement of Japanese officials in relevant state and federal government agencies.

Senate Foreign Affairs, Defence and Trade References Committee - Australia and APEC - A Review of Asia Pacific Economic Cooperation

Government Response to Report
The Government welcomes this timely review into Australia and APEC. After a decade of Asia Pacific Economic Cooperation there has been a great deal of progress made towards APEC’s three pillars of reform, trade liberalisation, trade facilitation and economic and technical cooperation. However, much still remains to be achieved and the Committee’s report will be very useful as part of Australia’s approach to APEC in the future.

In relation to the specific recommendations of the report the Government makes the following observations:

Recommendation - Chapter 3, page 59 New Members of APEC
Australia remains strongly of the view that the current ten year moratorium on new membership is necessary to allow APEC to consolidate the progress made over the past decade towards its trade liberalisation goals, particularly for developing economies.

However, when the moratorium ends APEC already has in place guidelines (copy attached) for the admission of new members to apply. These guidelines accord with the recommendations of the Committee regarding potential new members.

Much of the work done by APEC’s Working Groups includes projects with participation of non-member regional economies and of NGOs.

Economic and technical cooperation (ECOTECH) is one of the three pillars of APEC and all new members benefit from assistance provided through this area of APEC’s work. In terms of other assistance to potential new members there is already a focus on this type of capacity building in Australia through the AusAID-administered APEC Support Program. The Support Program is mainly, although not exclusively, targeted towards developing APEC economies. It does not exclude non-member economies which may be potential future members of APEC. By its nature the provision of this type of assistance to potential new members is something which is more in the province of the developed members of APEC.

Recommendation - Chapter 5, page 111 Social Agenda
Since the Asian financial crisis APEC has broadened its work programs to address social issues and to develop appropriate responses to prevent similar crises in the region in future. Particular emphasis has been given to Human Resource Development issues such as overcoming the digital divide and the need for social safety nets. Australia has been active in supporting this emphasis including through initiatives such as the Australian sponsored report The Impact of the Asia Crisis on Children: Issues for Social Safety Nets. Australia is also, in partnership with Thai-
land, developing a $A5 million three-year Social Protection Facility to build capacity in social policy and program delivery in the region.

Current non-member participation guidelines already allow non-business NGOs to participate in APEC activities where they have particular expertise on a case by case consensual basis. The Government believes that these guidelines are appropriate for the inclusion of NGOs and formal status within APEC is not necessary.

Recommendation - Chapter 7, page 143 Trade Facilitation

Since the Department of Foreign Affairs and Trade’s submission to the Committee, APEC has published the report APEC Getting Results for Business which provides comprehensive information of trade facilitation measures undertaken in APEC. Australia prepared the publication. APEC also recently launched an Australian designed internet web site, Bizapex.com which provides access to a large volume of information on member economies and includes details on tariff and non-tariff barriers to trade.

APEC provides information on progress in economic and technical cooperation through the Ecotech Clearing House web site.

Recommendation - Chapter 7, page 155 Encouraging Initiatives by Business, Institutions and Associations

The Government will continue to encourage actively initiatives from the private sector, including institutions such as the National Association of Testing Authorities, to identify areas where trade and investment facilitation support is needed. For example, a survey of trade facilitation needs was undertaken in 1999 by DFAT which sought responses from a wide range of businesses, institutions and associations. The results of that survey have contributed to the direction of APEC’s work in customs, standards harmonisation and financial and legal infrastructure work.

Recommendation - Chapter 8, page 179 Development Cooperation Programs

A large part of APEC’s work program involves economic and technical cooperation in support of its trade liberalisation and facilitation goals. For example a project on Capacity Building for the Implementation of WTO Agreements announced at the Darwin Ministers Responsible for Trade meeting has commenced. The Australian Government supports that work and, through the APEC Support Program, initiatives similar development cooperation projects.

APEC is not however, the appropriate forum for more traditional poverty alleviation development cooperation.

Recommendation - Chapter 9, page 219 Australia as a ‘natural partner’ in the Asia Pacific

The Australian Government will continue to build on Australia’s strong reputation in the region to further develop its standing as a partner in Asia Pacific affairs. Through active participation in APEC, including leadership of sub-fora, Australia has demonstrated its commitment to the region and will work to maintain and enhance its credentials as an integral part of the Asia Pacific.

Recommendation - Chapter 10, page 233 APEC Study Centre

The Australian academic community, including the APEC Study Centre is very active in APEC through Support Program projects and also in undertaking projects for APEC Working Groups. Many of these projects involve extensive research and international exchange of information. The government accords a high priority to these activities and others which enhance understanding of APEC issues.

Recommendation - Chapter 10, page 233-34 AUSPECC Funding

The Government ceased funding AusPECC in 1998 in light of a tight budget situation and ongoing financial contribution commitments to PECC and APEC. At that time it was envisaged that AusPECC would find alternative funding sources through paid research consultancies. This has in fact proven to be the case. While acknowledging the valuable work done by AusPECC there is also recognition that other organisations including the APEC Study Centre provide similarly valuable research and development without ongoing government funding.

ATTACHMENT

APEC Ministerial Statement on Membership

November 1997

(Approved by the 9th APEC Ministerial Meeting held in Vancouver)

Asia-Pacific Economic Cooperation (APEC) is an Asia-Pacific regional forum. It is an open forum in terms of its membership and guest participation.

Since its formation in 1989 APEC has:

- expanded its original membership of 12 by 50% to 18;
- undertaken to admit a limited number of new members not later than 1999;
- approved an arrangement by which non-members can be granted guest status in APEC Working Groups;
• approved over 30 applications for guest status by non-members.
In addition, under its information policies, APEC publishes, or makes publicly available, all key documents, decisions and statements.
While APEC has not set a permanent ceiling on the number of members, it will remain limited in size both on account of its Asia-Pacific regional character and because of the need for the group to remain manageable and effective.
Within the overriding considerations of open regionalism and of remaining manageable and effective in size, APEC has adopted the following guidelines to assist in considering the admission of additional members:
• an applicant economy should be located in the Asia-Pacific region;
• an applicant economy should have substantial and broad-based economic linkages with the existing APEC members; in particular, the value of the applicant’s trade with APEC members, as a percentage of its international trade, should be relatively high;
• an applicant economy should be pursuing externally oriented, market-driven economic policies;
• an applicant economy will need to accept the basic objectives and principles set out in the various APEC declarations, especially those from the Economic Leaders’ meetings;
• a successful applicant will be required to produce an Individual Action Plan (IAP) for implementation and to commence participation in the Collective Action Plans across the APEC work programme from the time of its joining APEC.
Decisions on the admission of additional members to APEC require a consensus of all existing members.

00/10457
Senator Marise Payne
Chair
Senate Legal and Constitutional Legislation Committee
Parliament House
CANBERRA ACT 2600
Dear Senator Payne

I refer to the Report of the Senate Legal and Constitutional Legislation Committee inquiry into the provisions of the Privacy Amendment (Private Sector) Bill 2000 which was tabled in the Senate on 10 October 2000.

The recommendations made by the Committee in its Report have been addressed publicly by the debate and enactment of the Privacy Amendment (Private Sector) Act 2000. As you are aware, I have proposed that the Privacy Commissioner conduct a review of the operation of the private sector privacy legislation after two years.

Yours sincerely

DARYL WILLIAMS
advise their respective governments when conflicts might arise. ECA consultation also ensures that training and information on the conduct of federal, State and Territory elections is provided to electoral officials as required.

Recommendation 3
That section 155 of the Electoral Act be amended to provide that for new enrolments, the rolls for an election close on the day the writ is issued, and for existing electors updating address details, the rolls for an election close at 6.00 pm on the third day after the issue of the writ. (para 2.26)

Response
Supported. Equivalent changes should be made to the Referendum (Machinery Provisions) Act 1984 (the Referendum Act). The Government believes that the potential for enrolment fraud at the time of the close of rolls is sufficiently high to warrant this change. The costs for the implementation of this recommendation will be approximately $52,000 in an election year, as there will be some offset savings, and approximately $264,000 in a non-election year.

Recommendation 4
That the time period for enrolling as an overseas elector be a uniform two years from the date of departure from Australia, regardless of whether the elector was previously enrolled in Australia. (para 2.29)

Response
Supported. Sections 94 and 94A of the Electoral Act presently provide different time periods within which persons may make an application for enrolment from outside Australia (two years) or for treatment as an ‘eligible overseas elector’ for those persons already enrolled (one year). This is an anomaly that should be corrected. The time limit should be standardised at two years.

Recommendation 5
That the relevant sections of the Electoral Act and the Referendum Act be amended to allow overseas electors to use a photocopy of their passport certified by the elector to confirm their personal details in circumstances where it is not possible to obtain an authorised witness’ signature when either enrolling as an overseas elector or making a postal vote from overseas. (para 2.32)

Response
Supported. The Government believes that the use of a certified photocopy of the relevant page of a passport, instead of an authorised witness, to confirm identity when overseas, should be permitted when difficulties are encountered finding an authorised witness when applying for or casting an overseas postal vote, or in finding an eligible witness when applying for enrolment from overseas.

Recommendation 6
That the AEC investigate and report on the potential impact of the proposed changes to the witnessing and enrolment provisions effected by Electoral and Referendum Act (No 1) 1999. This report should include information on:
- The potential financial impact of these changes on new enrollees;
- The potential impact on enrolment numbers; and
- The potential cost to the AEC of setting up and administering these new systems.

Where the changes have been implemented, the AEC should provide details of studies it has done on the potential impacts and the actual impacts. (para 2.36)

Response
Not supported. The Government is aware that some concerns have been expressed by the Joint Roll partners in the States about the possible impact of the new federal enrolment identification requirements in the Electoral and Referendum Amendment Act 1999. The Government does not share these concerns and believes that, given the extent of discussions on this issue and amendments made to the draft regulations to accommodate these concerns, a further investigation is unnecessary. Although the proclamation of the relevant provisions of the amending Act and the promulgation of the necessary regulations has not yet taken place, the AEC is well advanced in the development of operational systems to support the new legislative requirements. Accordingly, the Government continues to urge the States to cooperate in strengthening the enrolment provisions.

Recommendation 7
That the Commonwealth Electoral Act 1918 be amended to make the basis of enrolment the elector’s address, and that the objection provisions be amended such that an elector can be removed from the Roll when it can be shown the elector no longer lives at their enrolled address.

If an elector moves within their Division, does not re-enrol, and is removed by objection, their provisional vote for their division will be counted, provided their last enrolment was within that Division and was since the last redistribution or general election; and

If an elector moves outside their enrolled Division, but remains within the State/Territory, and claims a vote within their old or new Division, their vote in the Senate will count but the House of Representatives vote will not count.
Response

Supported. The recommendation will convert the basis for enrolment to a more realistic address-based system, replacing the current subdivisional-based enrolment system, which is no longer operating efficiently in maintaining accurate enrolments. The Government believes that this important change to the enrolment system will contribute to improving the accuracy of the rolls, in conjunction with the Continuous Roll Update (CRU) systems, such as the Address Register, now being developed and implemented on the computerised roll management system, RMANS.

Recommendation 8

That the Commonwealth Electoral Act 1918 be amended to allow the Divisional Returning Officer to exclude from enrolment any name that is invalid, and that the criteria for determining an invalid name be developed by the AEC in consultation with the Office of Parliamentary Counsel. (para 2.55)

Response

Supported. Some individuals are changing their names by deed poll into grammatical strings containing a political message, and then enrolling with the intention of nominating as candidates and appearing on the ballot paper with free publicity for their cause. The Government believes this is a perversion of the enrolment system which should be addressed. The legislative means by which Divisional Returning Officers (DROs) will be empowered to reject such obviously inappropriate names from enrolment will require special attention in the drafting process so as not to inadvertently preclude the enrolment of genuine but unusual names. Cooperation with State/Territory Registrars, through the appropriate channels, as indicated in recommendation 9, will be necessary. Appeal rights with respect to any administrative action on individual enrolment applications are already available in the legislation, and will be further improved in the legislative response to recommendation No 10.

Recommendation 9

That the federal Attorney General appeal to his or her respective state and territory counterparts through the Standing Committee of Attorneys’ General that there is a need for each state or territory Registrar of Births, Deaths and Marriages to tighten their criteria in relation to the registration of legal names. (para 2.56)

Response

Supported. The Government will refer this matter to the Standing Committee of Attorneys-General for consideration and action as appropriate. The occasional decisions made by the State/Territory Registrars of births, deaths and marriages (BDM) in accepting inappropriate name changes are having long-range impacts on federal and State/Territorial electoral systems. DROs are obliged to accept enrolment name changes, which are effectively grammatical strings carrying a political message, if the application is supported by evidence such as a valid deed poll (or other equivalent documentation) from State/Territory BDM Registries, as well as documented community recognition.

Evidence of community recognition, including documented transactions with government agencies such as local utilities, Centrelink and Medicare, and other correspondence, usually becomes available following the settlement of a valid deed poll. After securing enrolment, the elector is then at liberty to nominate as a candidate for election, and obtain free publicity for the cause by appearing on the ballot paper, with little prospect of electoral success. The Government believes this is a perversion of the electoral system which should be addressed. A consistent and cooperative federal/State/Territory approach to the regulation of inappropriate name changes is worth pursuing.

Recommendation 10

That Part X of the Commonwealth Electoral Act 1918 be amended to make decisions by a Divisional Returning Officer in relation to the enrolment of names appealable to the Australian Electoral Officer and the Administrative Appeals Tribunal. (para 2.58)

Response

Supported. (Although the actual legislative amendment required will depend on the passage of the Administrative Review Tribunal Bill 2000.) For a particular class of enrolment decisions made by DROs under section 105(1)(b) of the Electoral Act, relating to the alteration of names on the roll, there are no specific appeal rights available, as there are for all other administrative decisions relating to enrolment. The Government believes that this is an omission in the legislation that should be corrected so as to allow electors to challenge any administrative decision affecting their enrolment. It will also provide an additional level of protection for electors with genuine but unusual name changes, as opposed to electors seeking inappropriate name changes, as addressed in recommendations 8 and 9.
Recommendation 11
Subject to the JSCEM acceptance of matters raised in the AEC’s internet issues paper, that the publicly available Commonwealth Electoral Roll be provided on the AEC internet site for name and address/locality search purposes, and that the Roll be provided in CD-Rom format with the same search facility to public libraries without internet access. Both the internet and CD-Rom Roll should be updated monthly subject to search capacity being limited to individual names and addresses on the Roll. (para 2.65)

Response
Supported in principle. The Government needs to be assured that electors’ privacy will be appropriately protected and needs to look at this issue again after further consideration by the JSCEM following publication of the AEC’s review of sections 89-92 of the Electoral Act which will cover the issue of placing the roll on the internet. The implementation costs of this recommendation are expected to be in the order of $208,000 in the first year and approximately $87,000 in subsequent years.

Recommendation 12
That the Commonwealth Electoral Act 1918 be amended to allow access to an electronic version of the marked Roll and that this right of access should be extended to both candidates and party political organisations. (para 2.72)

Response
Supported in principle. Section 189(3) of the Electoral Act and Section 62 of the Referendum Act allow the inspection of postal vote applications from the third day after polling until the election can no longer be questioned. From paragraph 2.71 of the JSCEM report, it appears that it is this facility that the JSCEM has recommended for electronic access. Subject to prior consultation with the Privacy Commissioner, the Government agrees that this section should be amended to allow the AEC to provide, on request, electronic lists of the names and addresses of postal vote applicants to registered political parties and candidates, within the time period currently specified. House of Representatives candidates would be entitled to the list for the Division in which they stood for election and Senate candidates to the lists for all Divisions in the State or Territory in which they stood for election. Federally registered political parties would be entitled to electronic lists of postal vote applicants for the States and Territories in which they are organised. The costs for this recommendation would be approximately $56,000 each election year.

Recommendation 13
That the Commonwealth Electoral Act 1918 be amended to include a schedule setting out an alternate layout for the Senate ballot paper and that the AEC consult with the Joint Standing Committee on Electoral Matters on the alternate design. (para 2.82)

Response
Supported. The Government is concerned that the increasing numbers of Senate candidates are having a detrimental impact on the size, cost and appearance of the Senate ballot paper. Later recommendations 49 to 54 will strengthen the party registration process to deter candidates from appearing on the Senate ballot paper when they have no realistic chance of electoral success. Schedule 1 of the Electoral Act specifies only one format for the Senate ballot paper and there is no flexibility permitted for adopting a more appropriate layout for large numbers of candidates, within the technical constraints of production and usage. The Senate ballot paper has already reached the limitations of paper width for efficient production purposes, and has reached the limit of acceptable typeface point size standard for the printing of candidates and group names to be legible at the polling booth. In order to maintain efficiencies in the production and cost of ballot papers and other election equipment, such as declaration vote envelopes and ballot boxes, it should be possible to extend the depth of the Senate ballot paper to allow for the vertical layering of the candidate names. This layout alternative for the Senate ballot paper should be fixed in the schedule to the Electoral Act.

Recommendation 14
That s211 of the Commonwealth Electoral Act 1918 be amended to allow for the amendment or withdrawal of Group Voting Ticket statements up to the closing time for the lodgement of such statements; that such amendment or withdrawal may only be made by the person who lodged the original statement; that a further statement may be lodged prior to the closing time following the withdrawal of the original statement by any persons eligible to do so under s211(6); and that should a Group Voting Ticket statement be withdrawn, and a new statement not be lodged for the group prior to the closing time for lodgement, the group will not have a Group Voting Ticket square printed on the ballot paper. (para 2.84)

Response
Supported. The original representative of a Senate group should be able to amend or withdraw a group voting ticket (GVT) statement at any time up to the closing time for lodgement, and fol-
lowing a withdrawal, any person eligible to do so under section 211(6) of the Electoral Act should be able to lodge a further GVT statement. If a new statement is not lodged then the Group will not have a GVT square printed on the ballot paper.

However, the recommendation should be extended to allow, under the same conditions, a further withdrawal and/or amendment of a GVT statement, subsequent to the first withdrawal and/or amendment. Further, it should be possible to delegate the responsibility for accepting such amendments and/or withdrawals to GVT statements if the original AEC officer is not available at a later time.

**Recommendation 15**

That the Commonwealth Electoral Act 1918 be amended to ensure that the return of deposit for Senate candidates is made to the person who paid the deposit. (para 2.86)

**Response**

Supported. The process for the return of deposits for bulk nominations for the House of Representatives works well in practice. The Government believes that a similar process should be available for Senate groups. Section 173 of the Electoral Act should be amended to provide that where a candidate is part of a Senate group, and the nomination deposit was paid by a person other than the candidate, the deposit must be returned to the person who paid it, or to a person authorised in writing by the person who paid it.

**Recommendation 16**

That ss 177 and 180 of the Commonwealth Electoral Act 1918 be amended to allow, up until the close of nominations, for the substitution of another candidate for a Division in a bulk nomination, where a candidate for that Division in a bulk nomination dies or withdraws their consent to act. (para 2.90)

**Response**

Supported. The Government believes that the death or withdrawal of a candidate before the close of nominations should not invalidate a bulk nomination for the House of Representatives, and that a substitute candidate should be allowed to be nominated, and the deposit returned, as necessary, within the terms of sections 177 and 180 of the Electoral Act. This would extend the same candidate replacement rights for bulk nominations as are already available for single nominations.

**Recommendation 17**

That s331 of the Commonwealth Electoral Act 1918 and s124 of the Referendum (Machinery Provisions) Act 1984 be amended to reflect that only electoral advertising in journals needs to be labelled as advertising. (para 2.96)

**Response**

Supported. Section 331 of the Electoral Act and section 124 of the Referendum Act should be amended to clarify that only electoral advertising must be labelled as advertising in journals, including newspapers. The previous amendment in relation to the publication of electoral matter in journals was not properly drafted, and the situation now is that, technically, even newspaper editorials and opinion columns commenting on an election should contain the heading “advertisement”. This was clearly not the original intention of the Parliament. These amendments would not weaken the legislation but simply clarify that only electoral advertisements in journals must be labelled.

**Recommendation 18**

That the Commonwealth Electoral Act 1918 be amended so the full address clearly identifying a physical location is given for authorisation purposes. (para 2.102)

**Response**

Supported. The Government believes a precise definition is required to remove any doubts about the application of the authorisation requirements for electoral advertising. A definition of “address”, to include street number, street name, and suburb/locality, as applicable, should be included in the relevant provisions of the Electoral Act and the Referendum Act.

**Recommendation 19**

That the AEC develop an expanded authorisation regime for How To Vote cards which will: define How To Vote cards broadly so as to include How To Vote cards that are narrative in nature; ensure the authorisation details include the name of the political party of origin or the name of the independent candidate as well as the other authorisation details; and include a requirement for the authorisation details to be printed prominently (in 12 point) on each printed side of the How To Vote card. The authorisation regime should ultimately be included in the Commonwealth Electoral Act 1918. (para 2.129)

**Response**

Supported in principle. The problem of second and later preference how-to-vote (HTV) cards, that could, in breach of section 329 of the Electoral Act, mislead voters, will not be resolved by an unenforceable authorisation regime, or admin-
administrative guidelines, given the recent history of litigation on this subject.

The Government does not support the first dot point of the recommendation, because HTV cards, including those of a narrative character, are already encompassed in the definitions of "electoral advertising" containing "electoral matter", set out in sections 328(5) and 4(1) of the Electoral and Referendum Acts respectively. A definition of HTV cards would only encourage disputes about interpretation, and in any case, the Government believes that the improved authorisation requirements should apply to all electoral advertisements governed by section 328(1) of the Electoral Act, not just HTV cards.

Further, the Government does not support the second and third dot points of the recommendation. They are too prescriptive and unnecessary.

Recommendation 20
The AEC conduct an investigation to determine the reasons for the changes in the pattern of declaration voting. (para 2.156)

Response
Supported. However, such an investigation is unlikely to show any useful analytical outcome because of the lack of baseline comparative data on the factors most likely to have affected changes in the pattern of declaration voting in recent times. Declaration voting has increased from 12.74% of total votes in 1993, to 13.78% of total votes in 1996, to 17.90% of total votes in 1998.

The AEC has already reported that absent, postal and pre-poll voting probably increased at the 1998 federal election because polling day was scheduled during school holidays and some major sporting and cultural events. The AEC has also reported that an increase in postal voting has undoubtedly been stimulated by the mass distribution of postal vote applications by the major political parties. Other factors affecting voter behaviour, such as changing work patterns, that make it difficult for some to vote on a Saturday, may also have an impact.

And finally, the AEC has reported that provisional voting can be expected to increase if an election is held soon after an electoral redistribution, or if major objection action to cleanse the roll has been effected before the close of rolls for an election. However, the impact of these factors on the accuracy of the rolls, and the consequent level of provisional voting, should be progressively neutralised with the development and implementation of continuous roll update (CRU) procedures and systems referred to elsewhere.

Recommendation 21
That the AEC modify its pre-poll voting form so that voters are requested to tick off the reason why they require a pre-poll vote from a list of permitted reasons in the legislation. (para 2.158)

Response
Not supported. The Government does not believe that there is any present justification for requiring pre-poll voters to provide a written record of their reasons for casting such a vote, as there is no evidence that the pre-poll voting system is being misused or abused. The grounds for making a pre-poll vote are the same as for postal voting in Schedule 2 of the Electoral Act, but an application for a pre-poll vote is made in person to the responsible AEC officer under section 200C(2) of the Electoral Act. The AEC already ensures that the grounds for a pre-poll vote in Schedule 2 of the Electoral Act are clearly displayed in pre-poll voting centres, and drawn to the attention of applicants as necessary.

Recommendation 22
That the AEC review its current practices to ensure that the information communicated to the candidates and the public in relation to pre-polling facilities is clear and correct. (para 2.166)

Response
Supported. The AEC will review advertising for pre-poll facilities and will consider more frequent and less detailed pointer advertisements in newspapers providing the AEC call centre number so that specific information can be relayed directly to voters by telephone. The AEC already advises candidates individually in writing about the location of relevant pre-poll voting centres.

Recommendation 23
That the AEC seek agreement, where appropriate, from the owners of the premises on which a pre-poll is located to ensure that no unreasonable restriction is placed on the right of persons to distribute the customary election material or for voters to receive that material at or in the vicinity of the pre-poll. (para 2.173)

Response
Supported. The AEC already seeks the agreement of the owners of private premises, such as shopping malls, to allow canvassing outside pre-poll voting centres to take place without unreasonable restrictions.

Recommendation 24
That the Commonwealth Electoral Act 1918 and the Referendum (Machinery Provisions) Act 1984
be amended to process votes cast in the Antarctic as pre-poll votes. (para 2.175)

Response

Supported. On polling day for an election, Antarctic voters place their completed ballot papers in a ballot box, and at the close of polling, the votes on the ballot papers are electronically transmitted to the designated Australian Electoral Officer (AEO) for Tasmania by the Assistant Returning Officer. The AEO then transcribes the votes onto postal ballot papers, completes the accompanying declaration envelopes on behalf of the Antarctic voters, and despatches the postal vote materials to the appropriate Divisional Returning Officers for processing. The Government believes it would be more appropriate for Antarctic votes to be processed as pre-poll votes rather than as postal votes. Antarctic electors do not make a postal vote application, but cast their votes by attending at an Antarctic station, which is a polling booth for the purposes of the election, similar to a pre-poll voting centre.

Recommendation 25

That section 209(5) of the Commonwealth Electoral Act 1918 and section 25(4) of the Referendum (Machinery Provisions) Act 1984, requiring the production of separate postal ballot papers, be deleted so as to allow the same ballot paper to be used for all forms of voting. (para 2.178)

Response

Not supported at the present time. The Government is taking action to strengthen electoral integrity and this should take precedence over administrative and cost efficiencies.

Recommendation 26

That the Commonwealth Electoral Act 1918 and the Referendum (Machinery Provisions) Act 1984 be amended to specifically allow for the replacement of spoilt, lost or undelivered postal ballot papers on written application from the elector. If the AEC receives two or more sets of ballot papers from an individual elector as a result of a request for replacement ballot papers, the AEC should discard any second or subsequent set of ballot papers received and keep a record of such occurrences to determine whether there is an intention to multiple vote. (para 2.184)

Response

Not supported. The Government opposes this recommendation as it could potentially open a loophole for abuse and believes there are real grounds for doubting that it could work in practice.

Recommendation 27

That paragraph 7 of Schedule 3 of the Commonwealth Electoral Act 1918 and paragraph 7 of Schedule 4 of the Referendum (Machinery Provisions) Act 1984 concerning the postmarking of postal vote envelopes be amended, so that the date of the witness’s signature is instead used to determine if a postal vote was cast before the close of polling if there is no post mark or if the post mark is illegible. The witnessing portion of the postal vote envelope should specify all the elector’s details being attested to, and should make clear that it is an offence for a witness to make a false declaration. (para 2.191)

Response

Not supported. The Government opposes this recommendation because it may lead to the electoral system being open to manipulation. The Australian Electoral Commission should investigate the feasibility of Australia Post being required to postmark every piece of electoral material.

Recommendation 28

That the AEC modify its postal voting form so that voters are requested to tick off the reason why they require a postal vote from a list of permitted reasons in the legislation. (para 2.200)

Response

Supported in principle. The AEC will amend the approved postal vote application form so that the grounds permitted for a postal vote, contained in Schedule 2 of the Electoral Act and Schedule 3 of the Referendum Act, are included (in abbreviated form as necessary). The Government believes it is unnecessary for the electors to indicate under which particular ground they are applying for a postal vote.

Recommendation 29

That the AEC only issue one set of postal ballot papers and discard any second or subsequent application form request except where the second or subsequent request is to replace spoilt, lost or undelivered ballot papers on written request from the elector as set out in Recommendation 26. (para 2.207)

Response

Supported in principle. This recommendation is in response to difficulties that have arisen from the mass distribution of postal vote applications by the major political parties. Aged or confused electors who receive unsolicited postal vote applications from more than one political party may fill in and return multiple postal vote applications. Because DROs must issue postal voting materials if valid applications are received, these electors
may then go on to cast multiple postal votes. This problem was addressed administratively at the 1998 federal election by contacting postal vote applicants who had sent in more than one application to confirm that only one set of postal voting materials should be issued.

In order to minimise the problem of inadvertent multiple postal votes at the point of application, the Government believes that the AEC should continue to deal administratively with the receipt of multiple postal vote applications. Upon receipt of any subsequent postal vote application, the AEC will contact the applicant to establish why a second application has been received and whether it is necessary to issue further postal voting materials (e.g., first despatch not received). The DRO consulting with multiple postal vote applicants, where practicable, should avoid the unnecessary issuance of multiple sets of postal voting materials. This will assist in preventing inadvertent multiple postal voting at the point of application. It will have the additional advantage of assisting in identifying fraudulent multiple postal vote applications, before the votes are cast.

However, the Government believes that, for those inadvertent multiple postal votes that do survive the applicant check (which could occur with overseas voting, for example), there should be a mechanism to prevent their entry into the count. This should occur at the preliminary scrutiny of declaration votes, where signatures and other information, such as the date of receipt, on the declaration envelope can be used to distinguish and disallow inadvertent multiple postal votes. Legislative provisions should be made to disallow the admission to the count of multiple pre-poll votes. Signature checks will determine which of the multiple postal or pre-poll votes was signed by the voter and only the first received of these will be counted.

Further, there should be a mechanism applied to prevent the entry into the count of fraudulent declaration votes, of any kind, whereby signature checks are carried out on multiple declaration votes for the same voter and only the declaration vote carrying the signature of the voter is admitted to the count.

Regardless, where (after polling day) further scrutiny has commenced whilst preliminary scrutiny is ongoing, any declaration vote already admitted to the count will be deemed to be the declaration vote that should have been admitted and any subsequent votes will not be able to be admitted to the count.

An elimination process at the preliminary scrutiny has already been successfully tested at the 1997 Constitutional Convention election, which was conducted entirely by postal voting. However, in this case further scrutiny did not commence until after the cut off date for the receipt of all votes.

Any multiple declaration envelopes that are disallowed at the preliminary scrutiny stage, should not be discarded, but should be set aside for later investigation into fraudulent multiple voting as necessary.

Recommendation 30
That reply paid envelopes supplied by political parties with postal vote application forms that are addressed to return to the political party, the name of the political party be part of the address on the envelope. (para 2.212)

Response
Not supported. The Government believes that the flexibility, as to whether the party name should appear on the envelope or not, should be retained.

Recommendation 31
That the AEC review its mobile polling arrangements and training to ensure good management of mobile polling teams. (para 2.234)

Response
Supported. The AEC will review the training and management of all remote mobile polling teams, particularly those in the Northern Territory, before the next federal election.

Recommendation 32
That the Commonwealth Electoral Act 1918 be amended to allow registered political parties to appeal AEC decisions on the location of polling places. (para 3.4)

Response
Supported in principle. The Government believes that there should be an ability to appeal against the siting of a booth for an electorate outside that electorate and also against the abolition of small booths – particularly in regional and rural electorates. The AEC will develop a system for notifying registered political parties of creations and abolitions of polling places.

Recommendation 33
That the AEC develop guidelines in relation to the provision of special polling facilities, and that these guidelines be a disallowable instrument. (para 3.17)

Response
Not supported. The recommendation assumes that before the election dates are announced and Parliament is dissolved, any special events likely to occur on polling day can be known and planned for in advance. Further, it contemplates an operational planning regime for the AEC that
would be unworkable given the many contingencies that arise in the weeks leading up to a federal election. Regulations enabling the provision of a new type of polling place which would be open only to those voters who had paid entry to a particular function would be one of the ramifications of expanding special polling facilities in the manner sought by the JSCEM. As would the provision of polling places at functions where alcohol is being sold and consumed. This recommendation needs further development by the JSCEM to include details about the specific polling facilities sought.

Recommendation 34

That the Commonwealth Electoral Act 1918 be amended to ensure that, where a photocopied ballot paper is issued, the issuing officer must initial the ballot paper in order for it to be considered formal. (para 3.23)

Response

Supported. Subsection 268(2) of the Electoral Act and subsection 93(3) of the Referendum Act already provide that, if a ballot paper does not contain the initials of the polling official, then the DRO is responsible for deciding that it is an authentic ballot paper on which a voter has marked a vote. This allows photocopied ballot papers to be declared formal at the scrutiny stage, in the presence of scrutineers. It also ensures that voters are not disenfranchised because a polling official has failed to initial a photocopied ballot paper.

However, section 215 of the Electoral Act and section 26 of the Referendum Act should be amended to make it clear that all ballot papers, including photocopied ballot papers, must be initialled by the proper officer. The Government believes that this recommendation should be extended to require the authenticating initials to appear on the top right-hand corner of the front of the ballot paper, within a circle that should be printed on the ballot paper during production, and will be apparent after photocopying. Requiring the ballot paper to be initialled on the front instead of the back, without in any way impinging on the formality of the ballot paper, will ensure that issuing officers are constantly reminded of their duty. The Schedules to the Electoral Act and the Referendum Act setting out the format of the ballot papers would need to be amended to reflect the new initialling provisions.

Recommendation 35

That the Commonwealth Electoral Act 1918 be amended to allow the AEC to send penalty, enrolment objection and determination notices to the latest known address of the voter at the time of the dispatch of the notice. (para 3.52)

Response

Supported. Section 245(6) of the Electoral Act and section 45(6) of the Referendum Act should be amended to allow the DRO to send, by post or other means, the second penalty notice for failure to vote to the latest known address of the elector at the time of the despatch of that notice. Section 245(9) of the Electoral Act and section 45(9) of the Referendum Act should be amended similarly. Finally, Part IX of the Electoral Act should be amended to allow for despatch of enrolment objection notices and enrolment determination notices, by post or other means, to the latest known address of the elector at the time of despatch.

Recommendation 36

That the Commonwealth Electoral Act 1918 be amended to explicitly prevent scrutineers from providing assisted votes. (para 3.64)

Response

Supported. The Government believes that scrutineers should not be permitted to assist voters at polling booths because of the potential for undue influence on voters by the representatives of candidates and political parties. Similar amendments should be made to the Referendum Act.

Recommendation 37

That the AEC report to the Committee on options for an effective integrated educational and enrolment service for Aboriginal and Torres Strait Islanders before the next federal election. (para 3.80)

Response

Supported. The AEC will publish a report on options for the future delivery of electoral information and education services to Aboriginals and Torres Strait Islanders, and for the conduct of enrolment reviews in Aboriginal and Torres Strait Islander communities. This will involve a one-off cost of $10,260.

Recommendation 38

That the nexus between provisional voting and reinstatement be broken by deleting ss 105(4) and 105(5) of the Commonwealth Electoral Act 1918. (para 3.93)

Response

Supported. The Government believes that the nexus between provisional voting and reinstatement should be broken by deleting sections 105(4) and 105(5) of the Electoral Act, in order to improve the accuracy of the rolls. This recommendation is linked to recommendations 7 and 39.
Recommendation 39
That the Commonwealth Electoral Act 1918 be amended so that:

• if an elector has moved within the Division they are enrolled for since the last redistribution or federal election and has not re-enrolled, then the AEC will take action to re-enrol the elector at their current residential address and their provisional vote for the Division and the Senate will be counted;

• if an elector has moved outside the Division they are enrolled for but within the same State or Territory since the last redistribution or federal election and has not re-enrolled, then the AEC will take action to re-enrol the elector at their current residential address and their provisional vote for the Senate will be counted; and

• if an elector has moved outside the State or Territory they are enrolled for since the last redistribution or federal election and has not re-enrolled, then the AEC will take action to re-enrol the elector at their current residential address and their provisional vote will not be counted. (para 3.96)

Response
Supported in principle. The Government believes, however, that it is inappropriate to count any vote for a person not correctly enrolled and therefore does not support the counting of votes as indicated in the first and second dot points of the recommendation. The Government accepts that currently the provisions of Schedule 3 of the Electoral Act require the admission of provisional votes in certain limited circumstances where the voter’s name is not on the current electoral roll. However, the Government believes that these circumstances need to be further restricted so that instead of the AEC checking the roll back to the second previous election or the last redistribution and admitting the votes of those voters who appeared on the roll during that time, the AEC would only be required check back to the last election or the last redistribution, whichever is the latter. It is also the Government’s view, that these voters should not be reinstated to the electoral roll unless the AEC has carried out the necessary investigation to confirm that the voter is, in fact, entitled to be enrolled at the address claimed in the declaration vote. The Government’s support of recommendation 7 is in line with its response to this recommendation.

Recommendation 40
That the AEC review its procedures for updating the Commonwealth Electoral Roll following notification of the death of an elector. (para 3.135)

Response
Supported. To facilitate the automated removal of names of deceased electors from the rolls, the Registrars of Births Deaths and Marriages in the States/Territories have provided the AEC with electronic information on deaths. This consolidated information, known as the Fact of Death File, is currently being evaluated and new operational procedures will be implemented as soon as the systems for the electronic matching of death data are brought on line. This will enable the matching of deceased electors across State/Territory boundaries and will allow the identification of deceased electors who are enrolled in a different State/Territory from where their death is registered.

Recommendation 41
That the Commonwealth Electoral Act 1918 be amended to allow Divisional Returning Officers some discretion as to the location for the declaration of the poll. All candidates should be consulted prior to the selection of the location. (para 4.17)

Response
Supported in principle. Section 284 of the Electoral Act should be amended to allow a declaration of the poll for the House of Representatives to take place other than in the Divisional Office where nominations were received. This would accord with the more flexible provisions for the declaration of the poll for the Senate. Such decisions should be taken by Divisional Returning Officers in consultation with the Australian Electoral Officer for the State/Territory.

However, the Government does not believe that candidates should be consulted about the location of the declaration of the poll, as this should remain the prerogative of the AEC in the context of all relevant operational factors. Candidates are advised in writing of the location for the declaration of the poll, and the convenience of candidates, party workers and the media is always taken into account in determining locations.

Recommendation 42
That the AEC conduct targeted public education programs prior to the next federal election, to more fully explain the full preferential voting system for the House of Representatives. (para 4.40)

Response
Supported. The AEC will examine and implement improved mechanisms for delivering information and education on the full preferential voting system before the next federal election. Implementation of this recommendation will involve costs of approximately $685,000 each election year.
Recommendation 43
That section 216 of the Commonwealth Electoral Act 1918 be amended so that group voting ticket information can be provided in booklet format rather than in poster format. (para 4.68)
Response
Supported. For practical reasons relating to the increasing size of the GVT posters, and consequent difficulties in display in pre-poll voting centres, section 216 of the Electoral Act should be amended so that group voting ticket information can be provided in booklet format or in poster format, depending on which format best suits the polling location. The GVT booklets will be available in all AEC offices and other relevant polling locations, but will not be provided automatically to postal voters, because of the substantial additional postage costs involved. Postal voters will only be provided with the GVT information on request, and the booklet will be published on the AEC website. The implementation cost of this recommendation will be approximately $138,000 per election year.

Recommendation 44
That the disclosable sum received from a person or organisation during a financial year be increased from $1,500 to $3,000. (para 5.20)
Response
Supported. The Government accepts that the minimum disclosure threshold is set at an unrealistically low level.

Recommendation 45
That the minimum donation before a donor is required to lodge a return be increased from $1,500 to $3,000. (para 5.25)
Response
Supported. The Government accepts that the minimum disclosure threshold is set at an unrealistically low level.

Recommendation 46
That the AEC conduct a feasibility study on moving to a system of electronic lodgement of annual disclosure returns. (para 5.30)
Response
Supported in principle. The Government sees many benefits in electronic lodgement of disclosure returns. The AEC will be looking at options for the electronic lodgement of not only annual disclosure returns but also election disclosure returns.

Recommendation 47
That the AEC ensure that technical or minor mistakes are not brought within the provision of s315(2) of the Commonwealth Electoral Act 1918. (para 5.33)
Response
Supported. The Government understands that the AEC has never sought to prosecute technical or minor mistakes made by persons on disclosure returns and is confident that the Prosecution Policy of the Commonwealth provides adequate protection in this regard.

Recommendation 48
That section 311A of the Commonwealth Electoral Act 1918, concerning annual returns by Commonwealth departments, be deleted and inserted in the Joint Committee of Public Accounts and Audit guidelines for the production of annual reports. (para 5.36)
Response
Supported. The Government understands that section 311A of the Electoral Act was inserted by an Opposition amendment to section 20 of the Political Broadcasts and Political Disclosures Act 1991. The AEC has no role in administering this provision other than as a reporting agency like any other. The Joint Committee of Public Accounts and Audit (JCPAA) is responsible, under sections 63 and 70 of the Public Service Act 1999, for approving guidelines for annual reports of departments and agencies. In the light of this, and in view of the way the provision has operated to date, the Government believes that section 311A should be removed from the Electoral Act and that it would be more appropriate for the JCPAA to review the continuing relevance of and need for any continuing similar requirements as part of its broader responsibility for annual report requirements.

Recommendation 49
That eligibility for federal registration by a political party requires that political parties must have either 500 members as defined under section 123(3) of the Commonwealth Electoral Act 1918 or have at least one member who is a member of the federal parliament. (para 5.56)
Response
Supported. The Parliament has already passed legislation, in the Commonwealth Electoral Amendment Act (No. 1) 2000, implementing this recommendation. The combined costs for implementation of this recommendation and for related recommendation 54 are expected to be approximately $72,000 in the first year and approximately $58,000 in subsequent years.
Electoral Act 1918 be expanded to include the requirements that a person must:
• have been formally accepted as a member according to the party’s rules;
• remain a valid member under party rules;
• not be a member of more than one registered political party unless the parties themselves have sanctioned it; and
• have paid an annual membership fee. (para 5.57)

Response
Not supported. The Government disagrees with this recommendation as it is intrusive into the affairs of political parties. The issue of an annual membership fee may have some “freedom of association” problems in that the only way a person could join a political party would be to pay a fee.

Recommendation 51
That a fee of $5000 be required to accompany an application for the registration of a political party and $500 for an application to change either the registered name or abbreviation of a political party. (para 5.65)

Response
Supported in principle. The Parliament has already passed legislation, in the Commonwealth Electoral Amendment Act (No. 1) 2000, implementing a fee to accompany an application for party registration or a change to either the registered name or the registered abbreviation of a political party.

Recommendation 52
That the AEC investigate and report on the effectiveness of the current criteria for the registration of party names and how the AEC might improve the criteria for the registration of party names to disallow inappropriate and unrepresentative names being registered. (para 5.69)

Response
Supported. The AEC will report on improving the provisions governing the registration of political party names and abbreviations.

Recommendation 53
That the registered abbreviation of a political party be restricted to either an acronym, or a shortened version, of the party’s registered name and it should be no longer overall than the registered party name. (para 5.72)

Response
Supported. This amendment would ensure that the original intention of the Electoral Act in providing for the registration of an abbreviated party name was observed.

Recommendation 54
That the AEC be authorised to conduct reviews of the continuing eligibility of registered political parties after every federal election. The AEC should be able to require parties to produce documentation in support of their application for registration and their continued right to remain registered. The standard of documentation and the verification undertaken by the AEC can be the same as if the party were first applying to register. The AEC should also have the power to deregister a political party if it fails to produce the documentation requested by the AEC in support of its continuing right to remain registered. (para 5.80)

Response
Supported. These powers are essential if the AEC is to be able to perform its role in ensuring that only those political parties that continue to be eligible for federal registration actually remain registered. The implementation costs for this recommendation are incorporated with those shown for Recommendation 49.

Recommendation 55
That given adequate public support, a referendum be held to amend the constitution so that the act of nomination by a candidate for the House of Representatives or Senate be recognised as immediately extinguishing any allegiance to a foreign country provided the candidate is also an Australian citizen. (para 5.96)

Response
Supported. The Government, however, does not support the holding of a referendum without a clear indication of widespread support for the measure being proposed.

Recommendation 56
That in section 354 and 383 of the Commonwealth Electoral Act 1918 and section 139 of the Referendum (Machinery Provisions) Act 1984, “Federal Court of Australia” be substituted for the “Supreme Court of the State or Territory.” (para 5.114)

Response
Supported.

Recommendation 57
That section 382 of the Commonwealth Electoral Act 1918 be deleted. (para 5.117)

Response
Supported. The Government recognises that it is the Director of Public Prosecutions who institutes legal proceedings on behalf of the Commonwealth and agrees that this section should be repealed.
Recommendation 58
That as part of its public education program prior to the next federal election the AEC target as an education priority the process and outcomes of the redistribution of electoral boundaries in those electorates where a redistribution has occurred since the previous federal election. (para 5.124)
Response
Supported. The AEC already publishes Electoral Newsfiles in hard copy and on the AEC website on progress in each redistribution of a State or Territory. The householder leaflet published for each federal election also provides information on the outcomes of redistributions for particular Divisions. The AEC call centre for each federal election provides similar information. The Electoral Act already requires the AEC to notify the public at various points in time during the process of a redistribution.

Recommendation 59
To amend section 28 of the Constitution to increase the House of Representatives term from three years to four years. (para 5.129)
Response
Supported in principle. The Government would only consider such a referendum proposal when a satisfactory solution to the parallel timing of Senate elections was found.

ALP Minority Report
In its Minority Report, the ALP opposes Recommendations 3, 17, 27, 36, 38, 44, 45 and 50.
The Government notes the ALP opposition to Recommendations 3, 17, 36, 38, 44 and 45, but has indicated its support for each of these recommendations for the reasons stated in the Government response.
In relation to Recommendations 27 and 50, the Government has not supported these recommendations in the Government response for similar reasons as those expressed by the ALP.
Further, in regard to Recommendation 11, the ALP has indicated that any further action in relation to this recommendation should await finalisation of the AEC’s review of sections 89-92 of the CEA as recommended by the JSCEM report on the 1996 Federal Election. The Government is also of this view.

Democrat Minority Report
Democrat Recommendation 3.1
That section 91 be amended to ensure that the end uses of the electoral roll are satisfactory from a privacy and security perspective.
Response
Supported in principle. The AEC has commenced a review of the relevant sections of the Electoral Act and the Government intends to revisit this question following the AEC’s report.

Democrat Recommendation 3.2
That both the caretaker conventions for government advertising and general government advertising conventions be legislated.
Response
Not supported. The Government recognises existing Parliamentary oversight of government advertising and does not see a need for further legislation on this matter.

Democrat Recommendation 3.3
That the JCSEM (sic) initiate a cooperative interstate parliamentary committee to find ways to make how-to-vote laws and regulations as consistent as possible across all Australian parliamentary jurisdictions.
Response
Not supported. The Electoral Council of Australia, comprised of the Chief Electoral Officer for each State and Territory and key personnel from the Australian Electoral Commission, already provides a forum for exchange of information by officers about developments in electoral procedures amongst the States, the Territories and the Commonwealth. The Government sees little advantage in creating another Committee to do the same thing.

Democrat Recommendation 3.4
That the AEC take an early opportunity to trial, at a by-election, systems of displaying how-to-vote material inside polling booths.
Response
Not supported. The problems inherent in attempting to display how-to-vote cards for all candidates during polling would be most apparent during a Senate election. There would be no advantage to trialing this proposal at a by-election for the House, even if a practical proposal had been recommended.

Democrat Recommendation 3.5
The preferable method of regulation of political advertising is by legislation:
a) The Commonwealth Electoral Act should be amended to prohibit inaccurate or misleading statements of fact which are likely to deceive or mislead;
b) The above amendments should be modelled on the South Australian legislation, which has worked effectively since its introduction,
limited to election periods, and excludes election material other than advertisements.

Response
Not supported. Neither the Government nor the majority of the Committee is convinced that this proposal could be satisfactorily implemented.

Democrat Recommendation 4.1
The Commonwealth Electoral Act be amended to give all persons in detention, except those convicted of treason or who are of unsound mind, the right to vote.

Response
Not supported. The Government believes it is appropriate that prisoners forfeit their franchise for the period of their imprisonment.

Democrat Recommendation 6.1
Additional disclosure requirements to apply to Political Parties and Candidates: Any donation of over $10000 to a political party should be disclosed within a short period to the Electoral Commission who should publish it on their website so that it can be made public straight away, rather than leaving it until an annual return.

Response
Not supported. The Government believes that the annual disclosure requirements are sufficient.

Democrat Recommendation 6.2
Additional disclosure requirements to apply to Donors: Political parties that receive donations from Trusts or Foundations should be obliged to return the money unless the following is fully disclosed:

- a declaration of beneficial and ultimate control of the trust estate, including the trustees;
- a declaration of the identities of the beneficiaries of the trust estate, including in the case of individuals, their countries of residence and, in the case of beneficiaries who are not individuals, their countries of incorporation or registration, as the case may be;
- details of any relationships with other entities;
- the percentage distribution of income within the trust;
- any changes during the donations year in relation to the information provided above.

Response
Not supported. The Government believes this proposal would place an unnecessary burden on political parties and donors.

Democrat Recommendation 6.3
Political parties that receive donations from clubs (greater than those standard low amounts generally permitted as not needing disclosure) should be obliged to return these funds unless full disclosure of the true donor’s identities are made.

Response
Not supported. The Democrats have the option of bringing this matter before the postponed JSCEM inquiry into electoral funding and disclosure.

Democrat Recommendation 6.4
That the JSCEM and AEC give closer scrutiny to donations from overseas.

Response
Not supported. The Democrats have the option of bringing this matter before the postponed JSCEM inquiry into electoral funding and disclosure.

Democrat Recommendation 6.5
As we did following the AEC’s 1996 Funding and Disclosure Report, the Democrats will move amendments to the Act of those recommendations that are relevant to higher standards, if the Government’s response to the AEC’s recommendations proves inadequate.

Response
Comment noted however, there is no recommendation requiring a response.

Democrat Recommendation 6.6
A ceiling should be placed on the amount of money any corporation or organisation can donate to a political party.

Response
Not supported. The Democrats have the option of bringing this matter before the postponed JSCEM inquiry into electoral funding and disclosure.

Democrat Recommendation 6.7
The Act should specifically prohibit donations which have ‘strings attached’.

Response
Not supported. The Democrats have the option of bringing this matter before the postponed JSCEM inquiry into electoral funding and disclosure.

Democrat Recommendation 6.8
The following initiatives would bring political parties under the type of accountability regime that should go with their place in our system of government:

a) The Commonwealth Electoral Act be amended to require standard items to be set out in a political party’s constitution, in a similar manner to the Corporations Law requirements for the constitutions of Companies;

b) Requiring registered parties to demonstrate after each federal election that they still retain the required number of members;

c) Only enabling a person’s name and details to be put forward as a member of one political
party (unless the political parties concerned themselves agree otherwise).

d) Broaden the scope for objection to proposed names and abbreviations to reduce the prospect for misleading or deceptive names being approved.

e) The key constitutional principles of political parties should include:

- the conditions and rules of membership of a party;
- how office-bearers are preselected and elected;
- how preselection of political candidates is to be conducted;
- the processes that exist for dispute resolution;
- the processes that exist for changing the constitution.

f) The relationship between the party machine and the party membership requires better and more standard regulatory, constitutional and selection systems and procedures, which would enhance the relationship between the party hierarchy, office-bearers, employees, political representatives and the members.

Specific regulatory oversight to include:

- Scrutiny of the procedures for the preselection of candidates in the constitutions of parties to ensure they are democratic;
- All important ballot procedures within political parties to be overseen by the AEC to ensure proper electoral practices are adhered to.

Response

Not supported. The Government believes that the majority of this recommendation would result in an unwarranted intrusion into the activities of political parties. The Government notes that some of the matters covered in this recommendation are addressed in Recommendations 50, 52, and 54 of the Committee’s report, and that legislation dealing with paragraph (c) has already been enacted.

Democrat Recommendation 6.9

That the JSCEM and the AEC give closer scrutiny to branch stacking and pre-selection procedures.

Response

Not supported. The Government does not believe that the intrusion of the AEC into such matters is appropriate. The purpose of the Electoral Act is to govern the conduct of federal elections, not to administer the internal affairs of political parties.

Democrat Recommendation 6.10

That the Commonwealth Electoral Act 1918 be amended to ensure the principle of ‘one vote one value’ be a prerequisite of political party processes.

Response

Not supported. It is not appropriate for the Electoral Act to be used as a mechanism to govern the internal affairs of political parties.

Democrat Recommendation 6.11

a) That s44(i) of the Constitution be replaced by a requirement that all candidates be Australian citizens and meet any further requirements set by the Parliament.

b) That s44(iv) of the Constitution be replaced by provisions preventing judicial officers only from nominating without resigning their posts, and giving Parliament the power to specify other offices to be declared vacant should an office-holder be elected.

c) That the last paragraph of s44 of the Constitution be deleted.

Response

Supported in principle. This recommendation, in part, reflects a similar proposal to Recommendation 55 from the majority report. The Government remains to be convinced that there is sufficient public support for this measure to warrant the public expenditure on the referendum process.

Democrat Recommendation 6.12

That the dates of elections be fixed and preset by legislation.

Response

Not supported. The Government does not support fixed Parliamentary terms.

Democrat Recommendation 6.13

That subsection 394(1) of the Commonwealth Electoral Act 1918 be repealed.

Response

Not supported. Negotiation prior to holding concurrent elections is required under the existing provision and the Government would not want to change that to a situation where a Federal election and a State election could be held on the same day without prior negotiation and approval.

GENERAL

In responding to this report, the Government wishes to take the opportunity to foreshadow that it will also be pursuing the following reforms:

1. Abolition of the Vote for Prisoners:

The Government believes that this matter, a recommendation of the JSCEM report into 1996 election, should again be pursued. At present, only prisoners serving a sentence of 5 years or more lose their right to vote. The
Government believes that the right to vote should be revoked for all prisoners.

2. Review of Penalties under the Electoral Act:
The Government believes that the review by the AEC and Attorney-General’s Department of penalties under the Electoral Act, as recommended by the JSCEM report into 1996 election should be finalised as soon as possible. Adequate penalties for breaches of the Electoral Act will go a long way towards deterring potential offenders.

3. Increased Penalties for Multiple Voting:
Increased penalties for multiple voting should help to ensure that such cases will be given higher priority for investigation by the AFP. The Government wishes to legislate for this as a matter of urgency in light of recent allegations in Queensland of systemic abuse of the electoral system.

GOVERNMENT RESPONSE TO THE JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS AND TRADE REPORT “AUSTRALIA AND ASEAN: MANAGING CHANGE”

INTRODUCTION
The Government welcomes the opportunity to comment on the Report by the Joint Standing Committee on Foreign Affairs, Defence and Trade, “Australia and ASEAN: Managing Change”, and to respond to the Committee’s Recommendations contained therein.

Australia’s links with ASEAN, and its bilateral relationships with ASEAN’s member countries, remain important foreign policy priorities for the Government. The Government’s efforts to expand bilateral relationships have reaped real and substantial benefits. Cooperation with Thailand, the Philippines and Singapore, for example, is as good now as it has ever been.

The Government has been a strong supporter of the historic democratic transition in Indonesia. The Government played an important and widely acknowledged leadership role in our region to restore peace and stability in East Timor.

Australia’s response to the regional economic crisis demonstrated the Government’s unequivocal commitment to the region. Australia was one of only two countries to participate in the IMF second-tier support arrangements, which has been widely recognised and praised in the region.

Australia’s support for discussions on establishing an ASEAN Free Trade Area – Closer Economic Relations Closer Economic Partnership (AFTA-CER CEP) is a further demonstration of the Government’s support for promoting economic prosperity of and economic cooperation with the region.

While Australia’s standing among the members of ASEAN has been enhanced by our steadfast support for the region during the recent economic turmoil, our continuing engagement with ASEAN as an institution, and bilaterally with ASEAN’s members, extends far beyond economic support and interaction. The Government has developed an extensive network of bilateral regional security dialogues and has played a significant role in APEC, the ASEAN Regional Forum and the ASEAN Post Ministerial Conferences.

The 38 recommendations contained in the Joint Standing Committee’s Report are wide-ranging, covering such diverse areas as economic, political and cultural engagement between Australia and ASEAN. The range of Government agencies with responsibility for administering parts of Australia’s relations with ASEAN (fifteen agencies were involved in preparing this response) demonstrates the depth and range of the Government’s engagement with the region.

The Standing Committee’s Report makes a valuable contribution to the Government’s efforts to maintain and enhance Australian engagement with ASEAN, at a time when there seems to be a tendency for some countries of the region to become more inward-looking. The Committee clearly understands the importance of our relations with ASEAN in ensuring a prosperous, secure and stable future for our region.

It will be clear from this response that the Standing Committee’s views on the future direction of Australia’s relations with ASEAN are generally in accord with the views of the Government. Such support is welcome as the Government seeks to manage the evolution of Australia’s relations with this important regional institution and its member countries.

Recommendation 1:
The Federal Government strongly encourage those ASEAN countries not party to the WTO Information and Technology Agreement (ITA) to accede to the agreement as soon as possible.

Response
Agreed.

Comment
The five largest ASEAN members (Indonesia, Malaysia, Philippines, Singapore and Thailand) participate in the ITA. The Australian Government advocates, as a matter of standard practice, that all countries seeking WTO membership accede to the WTO Information and Technology
Agreement (ITA). We have, for example, raised the issue with Vietnam in the course of WTO accession negotiations.

Of all ASEAN members currently parties to the WTO, only Brunei has not acceded to the ITA. While our preference would be to secure Bruneian accession, given the absence of tariffs imposed on goods and services covered by the ITA, and in light of the small size of the Bruneian economy, the Australian Government has chosen, along with other ITA participants, not to force the issue. The Government of Brunei is, nevertheless, aware of the Australian Government’s support for the ITA.

The remaining three members of ASEAN, Burma, Cambodia and Laos have very limited information technology industries or capabilities. Their industries would not attract much coverage under the ITA and are not likely to be major markets for the Australian IT sector for some time.

Recommendation 2:
A unit be established within DISR to liaise with industry, Austrade and DFAT in identifying and regularly updating information on major non-tariff barriers to Australian exports in key markets, including those in ASEAN.

Response
Noted.

Comment
A Unit along the lines of the proposal already exists within the Department of Foreign Affairs and Trade (DFAT). Located in the Trade Negotiations Division, the Inventory of Non-Tariff Measures (INTM) is a small-scale program closely focused on product- and measure-specific complaints. The INTM has been successful in resolving a number of issues, as well as in providing other general trade policy and tariff-related information. In performing this task, DFAT officers work closely with the Department of Industry, Science and Resources (DISR), Austrade and export and industry associations, to identify and obtain information on non-tariff measures (NTMs).

An activity currently underway within DISR involves the Victorian Employers Chamber of Commerce and Industry (VECCI) undertaking a study to identify non-tariff barriers in Chinese and Korean markets. The Department is also engaged with industry in identifying trade and investment barriers that Australian businesses face when seeking to develop overseas markets.

Expanding market access through the identification of such impediments is a Government priority.

In support of this objective on a broader basis, DFAT works closely with Austrade and DISR to address impediments and to help business capitalise on export opportunities. Work to expand international and domestic market opportunities for Australian business through the identification of NTMs along the whole supply chain has been initiated. Other efforts are directed towards improving the competitiveness of Australian business.

It is worth noting that in many cases non-tariff measures that confront Australian exporters are not necessarily inconsistent with the provisions of WTO Agreements.

Recommendation 3:
The Federal Government, in close consultation with Australian industry and business groups, review the impact of AFTA on Australia’s trade and commercial interests.

Response
Noted.

Comment
The Government, through DFAT and in close consultation with business, has closely monitored the development of AFTA and the impact it has had on Australia’s trade and commercial interests. Analysis recently undertaken by DFAT shows there appears to be no hard or anecdotal evidence to suggest that Australia has been disadvantaged by current AFTA preferences. The main difficulty to date has involved Philippine sugar tariffs, where preferences were subsequently equalised. Many preferences cover products where ASEAN suppliers are not significant competitors for Australia. Future discriminatory AFTA preferences, however, could affect Australia’s interests.

Recommendation 4:
The Federal Government further develop the existing program of CER-AFTA cooperation, and explore the possibility of expanding the initiative to include liberalisation on a sectoral basis, for example in the area of services.

Response
Agreed in part.

Comment
In October 1999, Ministers from the members of AFTA and CER agreed to establish a Task Force to examine the feasibility of establishing a free trade area (FTA) among the countries of the two groupings. The Task Force was asked to develop a report, which would be considered by Ministers at the next meeting of informal consultations be-
between ASEAN Economic Ministers and their CER counterparts, scheduled for October 2000.

The high-level Task Force consisted of an eminent representative from each country. Mr Cesar Virata, former Prime Minister of the Philippines, chaired the Task Force, and the Hon Tim Fischer MP represented Australia. The Task Force held three meetings dealing with a broad range of issues, including scope and coverage of an AFTA-CER FTA, its economic benefits, and WTO-consistency, and concluded that not only was an AFTA-CER FTA feasible but also advisable.

Ministers were presented with, and considered, the Task Force’s report at the 5th annual consultations between ASEAN Economic Ministers (AEM) and Ministers from Australia-New Zealand Closer Economic Relations (CER), held in Chiang Mai, Thailand, on 6 October. At the meeting, Ministers agreed to work towards a Closer Economic Partnership (CEP) and tasked officials to “elaborate on the potential and parameters” of the CEP, taking into account relevant recommendations of the Task Force. Officials are due to report back to Ministers in 2001.

It is the first time that the 12 regional governments will be involved in officials-level talks to promote regional economic integration. This provides an opportunity to pursue Australia’s goal of regional trade and investment liberalisation, and to pursue elements such as e-commerce, competition policy and non-tariff barriers. Ideally, Australia would have liked to move faster, but there are clearly different levels of economic development and appetite for reform in ASEAN at the present time.

Work on facilitating closer economic links under the AFTA-CER Linkage has continued in parallel with discussions on an AFTA-CER FTA. For example, collaboration between AFTA and CER countries under the MOU on Standards and Conformance is proceeding well, and the Department of Transport and Regional Services has conducted a study on freight logistics in the Mekong Delta area and compiled a Transport Information Directory. Australia has proposed three new projects under the Linkage in the areas of transport, competition policy and intellectual property. The Linkage remains an important mechanism for pursuing stronger economic links through the provision of practical assistance to business.

**Recommendation 5:**

The Federal Government explore ways in which the provision of state-funded, state-dedicated Austrade resources for trade and investment promotion (Bangkok model) can be extended to other states and territories.

**Response**

Agreed.

**Comment**

The Federal Government, through Austrade, is keen to extend this or similar models to other States and Territories, as appropriate and in accordance with State and Territory needs.

At the National Trade Consultations Intersessional meeting held in Canberra in October 1997, Austrade distributed a paper to State and Territory representatives setting out a range of ways - including the Bangkok model - in which Austrade could make its resources available to them. Austrade again drew attention to its willingness to engage in cooperative arrangements with States and Territories at the National Trade Consultations Intersessional meeting held in Canberra in April 1998.

It is likely that further cooperative placements will take place in the future, but the timing, location and other details will depend on the needs of the States and Territories.

**Recommendation 6:**

The Federal Government review the possibility of introducing a mixed credit scheme for Australian firms undertaking infrastructure projects in the Asia Pacific region, to be administered by the Trade portfolio with due regard to Australia’s ODA program objectives.

**Response**

Not agreed.

**Comment**

The Government’s response to the Simons Review of the aid program, Better Aid for a Better Future, accepted the recommendation that a tied aid mixed credit scheme should not be reintroduced into the aid program. While the Government has no in-principle objection to aid being provided in the form of soft loans, it considers this should not be at the expense of other higher priority aid activities. Any decision to introduce a mixed credit scheme would have significant funding implications.

**Recommendation 7:**

The Australian Government assist the Australian tourist industry, particularly through the Australian Tourism Commission, to increase promotional efforts in other key tourist markets, for example North America and Western Europe.
Response
Agreed.

Comment
The regional economic crisis had an adverse impact on visitor arrivals from the Asian region, including ASEAN countries, although not as severe as originally expected. Due in part to favourable exchange rates, much of the decrease was offset by increased arrivals from other key markets including North America and Europe. In addition, Australia’s increased cost competitiveness in these markets was, and continues to be, capitalised upon by the marketing activities of the Australian Tourist Commission (ATC).

In the 1998-99 Federal Budget, the ATC was allocated an additional A$41 million over four years to 2001-02 for increased promotional activity in selected Asian markets, but also for use in other established tourism markets such as the USA and Europe, and to offset the increase in promotional costs in these countries. The additional funding was also used by the ATC to establish a presence in emerging tourism markets such as China (where Australia has recently been granted Approved Destination Status), India, Latin America and the Middle East.

Recommendation 8:
The Government establish a formal, annual process of scrutiny both within the Parliament and the Australian National Audit Office of the streamlined entry system.

Response
Noted.

Comment
Under the Auditor-General Act 1997, the Auditor-General is functionally independent of both the Government and the Parliament. Accordingly, the Australian National Audit Office (ANAO) cannot be directed by the Government or the Parliament to undertake a particular audit. However, the ANAO, in developing its program of performance audit activities (which a scrutiny of the streamlined entry system would constitute), considers a wide range of factors and views, including the audit priorities of the Parliament as advised by the Joint Committee of Public Accounts and Audit (JCPAA). The ANAO may also undertake an audit following consideration of particular requests from a range of sources including Ministers, Parliamentary Committees and Parliamentarians.

Performance audit topics are primarily selected on two grounds: the first of these grounds reflects the ANAO’s need to focus on those audits which have maximum value-added in terms of improved accountability, economy, efficiency, and effectiveness; the second ground relates to ensuring appropriate coverage of entity operations within available audit resources. To the extent that a scrutiny of the streamlined entry system might meet these criteria, the ANAO may, from time to time, decide to conduct a performance audit of the system or review it as part of a broader audit.

The ANAO has undertaken a performance audit in the Department of Immigration and Multicultural Affairs (DIMA) in accordance with the authority contained in the Auditor-General Act 1997. The report was presented to the Parliament on 22 July 1999.

The objective of the performance audit was to assess the administrative effectiveness of the Electronic Travel Authority (ETA) with particular regard to:
the reliance that can be placed on information technology (IT) Systems;
the contribution of the Movement Alerts List to the effective operation of the ETA system;
the management by DIMA of the contribution of external parties in the operation of the ETA system; and
the financial management of the ETA system.

The ANAO concluded that “the ETA system is an innovative, Australian developed system which has the support of the travel industry. It has delivered efficiencies and has made the issuing of visas more effective. The ETA system has:
• provided a facility that can handle growth in the number of short-stay visitors to Australia;
• attracted a significant proportion of visa applications in the countries where it is available;
• been implemented in almost all the countries assessed as low risk; and
• enabled visa waiver arrangements to be extended to Australian travellers to the United States, France, Japan, Spain and the Republic of Korea following introduction of the ETA system in these countries.”

The Government, through the DIMA, has implemented in a number of tourism source countries (including ASEAN countries) procedures to streamline visitor visa issues. In order to ensure the integrity of these procedures, DIMA has in place resources for extensive data collection and the monitoring of associated activities. These include:
• visa (including ETA) applications and grants;
• interdiction activity at major airport of uplift;
• arrival details, including numbers referred to Immigration Inspectors for further assessment, numbers refused entry and numbers of infringement notices
served on airlines for carrying inadmissible passengers, and
• subsequent applications for further stay in Australia and change of immigration status, including Protection Visa applications.

Recommendation 9:
The Australian Government urge the Government of Thailand to:
(a) Ratify the 1951 Convention Relating to the Status of Refugees and its 1967 Protocol; and
Permit the United Nations High Commissioner for Refugees to provide greater assistance to the refugees on the Thai-Burma border.

Response
a) Agreed.
b) Agreed.

Comment
Australia has close links, and engages in regular dialogue, with Thailand, other countries in the Asia-Pacific region, the United Nations High Commissioner for Refugees (UNHCR) and the International Organisation for Migration (IOM) on matters associated with refugees and displaced persons. There are existing multilateral mechanisms in which Thailand’s role with refugees and displaced persons has been and can continue to be addressed. It should be noted that, although not a signatory to the Refugees Convention and Protocol, Thailand has hosted more refugees and people in refugee-like situations than most countries in the region. The Government has, in the past, encouraged Thailand to ratify the Convention and Protocol, and our major focus should be on continued dialogue and understanding as a means by which the Government of Thailand can be encouraged to do so. The Government will also continue to facilitate UNHCR involvement.

Australia and UNHCR co-sponsored a Conference on Regional Approaches to Refugees and Displaced Persons, held in Canberra in November 1996. This Conference was attended by 24 regional governments, including Thailand and Burma. A follow-up Experts Meeting was held in Bangkok in July 1997 and a third meeting, jointly chaired by UNHCR and IOM, was held in June 1998 in Bangkok. The consultations, known since 1998 as the Asia Pacific Intergovernmental Consultations on Refugees, Displaced Persons and Migrants (APC), are a constructive and helpful mechanism in which to encourage states to ratify the Refugees Convention and Protocol and to work closely with UNHCR. APC discussions are candid and as informal as possible. Trust has been built up between the member countries, and the involvement of the UNHCR from the outset has established the APC as a highly credible forum. The APC met last in June 1999. The next meeting is planned for November 2000.

Encouragingly, the Thai Government and UNHCR have reached agreement to secure an expanded role for the agency on the Thai-Burma border, with working arrangements put in place to cover:
• UNHCR inspection of administration of refugee camps;
• UNHCR assistance to the Thai Government towards the relocation of temporary shelter areas;
• UNHCR assistance to displaced Burmese to facilitate their safe return to Burma, and
• free and early access for the UNHCR to border camps.

Recommendation 10:
The Australian Government continue to press the ASEAN countries to maintain the constructive aspects to their engagement policy by pressing the Government of Burma towards further reform - the end to forced labour, the release of political detainees, dialogue with Aung San Suu Kyi and the liberalisation of the procedures of the Burmese National Convention, established to draw up a new constitution.

Response
Agreed.

Comment
The Government has devoted much effort to Burma in our regional and multilateral diplomacy. In particular, we have urged ASEAN countries to continue to use their relationship with Burmese leaders to encourage democratic change in Burma and an improvement in the human rights situation there.

The Minister for Foreign Affairs, Mr Downer, has taken every available opportunity to raise the Australian Government’s concerns about the situation in Burma in international fora, most recently at the ASEAN Post Ministerial Conferences and the ASEAN Regional Forum held in Bangkok in July 2000. Mr Downer also met with the Burmese Foreign Minister in the margins of these meetings, and took the opportunity to raise Australia’s concerns at the human rights situation in Burma directly with the Burmese Foreign Minister.

While we will continue to work with Burma within ASEAN, we will also make known bilaterally to the Burmese Government our concerns about developments in Burma. Similarly, in multilateral fora, such as the United Nations General Assembly and the Commission on Human Rights, we will continue to work with other re-
gional countries to produce strong consensus resolutions on Burma.

**Recommendation 11:**

11. The Australian Government:
   (a) send a senior delegation to the Thai-Burma border to assess the situation and report to the Government and the Parliament with recommendations for possible action on a bilateral or region wide basis; and
   (b) give generous consideration to the requests for entry visas from bona fide students from Burma itself or the Thai-Burma border and those seeking resettlement within the humanitarian category.

**Response**

a) Not Agreed.
b) Not Agreed.

**Comment**

The Government considers that in addressing the refugee and humanitarian problems on the Thai-Burma border, Australian efforts should focus on facilitating and supporting regional dialogue (as outlined in response to Recommendation 9) and encouraging the Thai Government to work closely with the Burmese Government and UNHCR in resolving Thai-Burma border issues. Although the Australian Ambassador to Thailand and other Embassy personnel travel to the region and report on developments, and regularly report the views of key players, including UNHCR, assessment of the situation in the field and the development of specific recommendations are more appropriately activities to be undertaken by the Thai and Burmese Governments, in conjunction with UNHCR in its mandated international role.

In a context of maintaining and improving the integrity of Australia’s migration program, the Department of Immigration and Multicultural Affairs (DIMA) is committed to assisting the development of Australia’s international education and training industry. The Migration Act requires every visa application to be considered on its individual merits and it is not possible for DIMA to provide an undertaking that there will be any specific success rate for visa applications lodged by students participating in any program. Decision makers in DIMA need to be satisfied that, while in Australia, students will abide by their visa conditions and return home on completion of their course of study. Students wishing to enter Australia must also meet Australian health and public interest requirements. The Australian Government has gazetted a list of countries whose citizens have been identified as having a low risk of overstay and a very high level of compliance with student visa conditions. The procedures for processing applications of gazetted and non-gazetted countries are different. Burma is not a gazetted country. There were 84 student visas granted offshore to Burmese nationals in 1997-98. This increased to 109 in 1998-99, and 145 in 1999-2000.

Australia’s Humanitarian Program reflects the Government’s commitment to assisting refugees and others in humanitarian need. As part of this commitment, Special Assistance Categories (SAC) were established in 1993 for Displaced Burmese in Thailand, and Burmese in Burma. The Burmese in Burma SAC later fell into disuse because of exit restrictions imposed by the Burmese Government. In April 2000, the Australian Government decided to close all remaining SAC, and the two Burmese SAC were included amongst them. In recognition of ongoing humanitarian need for resettlement of Burmese in Thailand a number of places (170) have been earmarked under the Refugee and Special Humanitarian categories to accommodate compelling cases identified in conjunction with UNHCR. In addition a final allocation of 50 SAC places has been made for FY 2000-01 to cover SAC applications at an advanced stage of processing.

**Recommendation 12:**

The Australian Government urge ASEAN to:
   (a) include on its agenda discussion on bilateral agreements for the implementation of internationally agreed minimum standards for the treatment of migrant workers; and
   (b) place labour issues on the agenda of both ASEAN and APEC.

**Response**

a) Noted.
b) Noted.

**Comment**

The Australian Government takes appropriate opportunities to discuss labour issues, including the treatment of migrant workers, with ASEAN governments in bilateral and multilateral discussions. However, at the multilateral level, the International Labour Organisation (ILO) is the most appropriate forum for the discussion of these issues. The ILO plays an important role in promoting the ratification of appropriate labour standards, including the six fundamental ILO Conventions dealing with human rights. Ratification of ILO Conventions remains a matter for ILO Member States to undertake voluntarily, based on their own priorities. It is also a matter for states to determine whether or not they wish to ratify the
International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families.

With regard to migrant workers, Australia recognises the global enormity of the migrant worker phenomenon while not ourselves being a country that is greatly affected. The term “migrant worker” does not fit particularly well in the Australian context as our immigration policies and practices are largely predicated upon the granting of permanent residence and the encouragement of permanent settlement in Australia. Unlike some other countries, Australia does not have significant numbers of migrant workers in the sense of temporary or “guest” workers.

Australia is not a member of ASEAN and has no role in setting the agenda for ASEAN meetings. Furthermore, decisions in APEC are taken on a consensus basis.

Recommendation 13:
The Australian Government encourage transnational businesses to adopt codes of conduct for their operations in regional countries such that health and safety standards for workers in multinational companies are consistent between the developing countries and the country of origin of the enterprise.

Response
Agreed.

Comment
The Government welcomes efforts by transnational businesses to adopt voluntary codes of conduct which would apply international labour standards and/or developed country labour standards to all their operations. In particular, the Government notes the existence of two international codes which would provide appropriate guidelines for transnational businesses: that is, the ILO Tripartite Declaration on Principles concerning Multinational Enterprises and Social Policy, and the OECD Guidelines for Multinational Enterprises. The ILO Declaration specifically addresses safety and health concerns.

Recommendation 14:
The Australian Government support the development of an East Asian political community in the form of a regional forum developed through consultation with all regional governments.

Response
Noted.

Comment
The Australian Government strongly supports the development of enhanced dialogue with the East Asian regional community, such dialogue having been a major foreign policy priority since the Government’s election in 1996. The Government’s commitment has been demonstrated in its pursuit of improvements to the quality of dialogue in a diverse range of fora, including the ASEAN Post Ministerial Conference (PMC), the ASEAN Regional Forum (ARF), the ASEAN-Australia Forum and, to some extent, in APEC. These fora provide the opportunity for direct government-to-government discussions on a range of regional and international political and economic issues. For example, at this year’s PMC held in Bangkok, Foreign Ministers from ASEAN and its Dialogue Partners discussed transnational issues including, money laundering, narcotics and HIV/AIDS. The meeting also looked at the social implications of the regional economic crisis and ways to improve cooperation to strengthen ASEAN integration.

Similarly, the Government has worked hard to promote the ARF as a forum for discussing regional security issues. Since its inception in 1994, the ARF has developed into the preeminent forum of its type in the Asia-Pacific region. While much work remains to be done in expanding the mandate and scope of work undertaken by the ARF, the Government has been encouraged by the outcomes that have emerged from recent ARF Ministerial Meetings. ARF meetings have provided a valuable mechanism for sending clear and united messages about issues of concern to member countries, including in relation to weapons of mass destruction and territorial disputes in the South China Sea. The Seventh ARF Ministerial in July 2000 also saw an increased willingness to discuss issues that had wider regional security implications.

Recommendation 15:
The Australian Government encourage the ASEAN states to ratify and implement international human rights instruments as an integral part of their responsibilities in the international order.

Response
Agreed.

Comment
The Government has taken appropriate opportunities in bilateral discussions and multilateral fora to encourage countries in the region to ratify major international human rights instruments. Australia also supports the establishment of an appropriate Asia-Pacific regional human rights organisation to reinforce universal human rights in the region. Australia believes that the strengthening of regional co-operation among
national human rights institutions will prove an important building block in the eventual establishment of a regional human rights mechanism. The Asia-Pacific Forum (APF) of National Human Rights Institutions, established in Darwin in 1996, is making significant progress in this regard. The Forum currently has eight members. From within ASEAN, the Human Rights Commissions of Indonesia and the Philippines are members. Thailand is actively engaged in the establishment of a Human Rights Commission and may gain membership of the APF later this year. In April 2000 Malaysia established a Human Rights Commission. While this body does not yet comply with the Paris Principles which set out criteria for independence and effectiveness, there has been an active dialogue with the APF member institutions with a view to Malaysia’s ultimate membership by meeting the standards set out in the Paris Principles.

At the 1998 ASEAN PMC, Mr Downer encouraged Burma to consider establishing a national Human Rights Commission. At the 5th annual meeting of the APF the representative from Burma informed the Forum that Burma had decided to form a Human Rights Commission similar to those of Bangladesh, Thailand, the Republic of Korea and Papua New Guinea. It is not anticipated that this announcement will produce early results.

Recommendation 16:
The Government ensure that human rights issues are an integral part of emerging dialogues with ASEAN countries on regional development cooperation, economic and security issues.

Response
Agreed.

Comment
The Australian Government takes every appropriate opportunity to discuss human rights issues with ASEAN countries, including, where appropriate, in regional dialogues such as the ASEAN PMC, the ARF and the AAF.

Recommendation 17:
Representatives from the Australia Council be included in the Australian delegation to the ASEAN Australia Forum and particularly, where appropriate, to the working party of the ASEAN Committee on Communications and Information.

Response
Agreed in part.

Comment
The format of the ASEAN Australia Forum (AAF) now provides for a high level, streamlined and focused forum for addressing political, economic and strategic issues of relevance to both Australia and ASEAN member countries. A decision was taken by both Australia and ASEAN members to have the Working Group on Culture and Information continue its work independently of the AAF. There is, however, the opportunity for the Working Group to provide a brief report of its activities to the AAF.

AusHeritage is actively involved in the ASEAN Committee on Culture and Information (COCI) and in fact provided an overview of the work of the COCI to the most recent meeting of the AAF held in Canberra in June 2000.

The Australia Council while not active in the COCI, remains interested in participating in future ASEAN-Australia dialogue, particularly if there are opportunities to promote exchanges and professional and market development opportunities for artists and arts organisations from both ASEAN and Australia.

Recommendation 18:
The Australian Government invite the ASEAN Ministers for Culture to visit Australia with a view to establishing a regular dialogue between Australian and ASEAN ministers and officials on cultural matters.

Response
Noted.

Comment
ASEAN Ministers from a variety of portfolios are invited to visit Australia under various programs. There is regular dialogue at the official level on cultural matters through various fora such as the ASEAN-Committee on Culture and Information (COCI). The Chairman of ASEAN-COCI, Mr Choo Whatt Bin, visited Australia as a guest of the Australian Government under DFAT’s Cultural Award Scheme in April 1998. The first stage of the ASEAN COCI-Australia Project on “A Regional ASEAN Policy and Strategy for Cultural Heritage Management”, jointly funded by the Department of Foreign Affairs and Trade and the ASEAN Secretariat, involved staging a workshop on cultural heritage management for senior officials from ASEAN member countries. The workshop, run by AusHeritage, was successfully held in Adelaide from 14-18 March 2000.

Recommendation 19:
The Australian Government endorses the ASEAN initiatives on common practices regarding intellectual property and offer assis-
tance in the form of further training programs or technical assistance for their implementation.

Response
Agreed.

Comment
The Government is highly supportive of the efforts of ASEAN countries to date in strengthening the protection of intellectual property (IP) in line with the common standards established under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), and to promote harmonised and simplified operations for the administration of intellectual property rights. Reflecting the need for closer cooperation with ASEAN countries on IP issues, Australia has recently taken the initiative within the AFTA-CER framework to propose stepped-up cooperation on practical IP management issues.

As a leading player in the APEC Intellectual Property Rights Experts Group (IPEG), Australia is working towards closer coordination of IP administration and enforcement mechanisms in the region, directly supporting and facilitating the parallel intra-ASEAN program similarly aimed at implementing common practices. Australia has also provided strong practical support for the development of a coordinated approach to facilitating technical cooperation. Australia has also played a leading role in three new initiatives of the APEC IPEG, the strengthening of cooperation on enforcement of intellectual property rights, raising public education and awareness of intellectual property issues and promoting a stronger policy dialogue on emerging IP issues. Australia is an active participant in the work of the IPEG aimed towards greater regional coordination in a number of practical areas, such as paperless filing technologies, electronic commerce, office practice in relation to biotechnology and other emerging technologies, and simplified and harmonised trade mark filing.

Through bilateral and regional programs, Australia provides considerable technical assistance and training to ASEAN countries to promote the effective and efficient operation of the IP system. This assistance has included the provision of technical experts to Malaysia and Indonesia, the conduct of bilateral training programs with Indonesia, Malaysia, Thailand and Vietnam, and the provision of advice and assistance to Singapore, Indonesia and Brunei. Australia has conducted APEC-wide technical training programs on intellectual property administration (in March 1998) and on management of biotechnology IP (December 1998). A major training program on IP administration and enforcement for Indonesian officials and academics has been in place for over three years.

The Australian Government and Australian experts have also participated with the WTO and World Intellectual Property Organisation (WIPO) in the provision of further training, for example, by providing experts for training in the region, including in Singapore and Brunei. In March 2000 Australia hosted a WIPO Regional Symposium, and signed a Memorandum of Understanding with WIPO on technical cooperation in the region. Australia has already participated in training delivered under this agreement to the Philippines.

World Bank funding was made available for a six-month project for technical assistance for institutional development at the Directorate General of Intellectual Property Rights of Indonesia in 1999-2000. IP Australia was part of a consortium which tendered successfully for the project, of which a key component was IP awareness and information dissemination. Staff from IP Australia, DFAT and the Attorney-General’s Department undertook this part of the project. Australia has also delivered training in specialised areas of IP, such as training courses in biotechnology IP held in Thailand and Vietnam in June 2000, and on IP enforcement training for Thai specialist IP judges in 1999.

Australia’s efforts in support of technical cooperation cannot hope to match the scale of those undertaken by the European Union or Japan, or specialised international organisations such as WIPO. Such assistance as is given by Australia must be well targeted and focused. While Australia has strong legal and technical expertise on IP law and administration, the number of experts able to be involved in such programs is quite limited. Despite these constraints, the assistance provided by Australia has been well received in the region as it has had a strong practical focus, and it is sensitive to serving the specific needs and context of the region in a sustained fashion. The continued focus of bilateral direct assistance and promotion of regional and international training in the region affords the best opportunity of maximising scarce resources and contributing in a constructive way to the Australia-ASEAN relationship. Recent proposals concerning more direct cooperation with ASEAN in the context of AFTA-CER relations are at an early stage, but the initial signs are positive.

Recommendation 20:

The Australian Government provide sufficient financial and human resources to the newly formed Australian International Cultural Coun-

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cil to enable its effective operation in the full range of cultural promotion.

Response
Agreed.

Comment
The Government is fully committed to the effective operation of the Australia International Cultural Council (AICC). The first meeting of the Council, chaired by the Minister for Foreign Affairs, Alexander Downer, was held in Melbourne on 26 June 1998, and four further meetings have been held since then. The Council’s principal objective is to project an image abroad of Australia as a sophisticated and culturally diverse nation, committed to democracy and tolerance. A rolling three-year strategy to promote Australian culture has been developed and published by the Council and a Commission for International Cultural Promotion (CICP) has been established at senior officials level to oversee the implementation of the Council’s program. The CICP, which includes senior representatives of DFAT, the Department of Communications, Information Technology and the Arts, the Australia Council for the Arts, the Australian Film Corporation, has proved very effective in coordinating international arts and cultural programs, in partnership with Australia’s cultural community.

Funding for AICC administration and for the AICC Secretariat are being provided from the DFAT portfolio budget. Program activities have been funded by the CICP member agencies. In 1998-99, DFAT provided an additional A$1 million to fund the work of the Council.

Recommendation 21:
The Department of Communications and the Arts and Austrade combined to explore ways in which Australian theatre management and associated technological skills can be more effectively marketed to the region.

Response
Agreed.

Comment
Austrade and the Department of Communications, Information Technology and the Arts, together with relevant portfolio agencies, will pursue co-operative strategies to market more effectively theatre management and associated technological skills. These strategies will seek to enhance commercial opportunities in the theatre services sector; for instance, by further developing links between organisations and enterprises with specific expertise, such as the Victorian Arts Centre Trust and Stagecraft; “umbrella” organisations and networks with a regional focus such as the Association of Asia Pacific Performing Arts Centres; and by utilising the services of Austrade to promote Australia’s expertise in this sector.

Recommendation 22:
The Federal Government give consideration to the expansion, over a period of ten years, of the University Mobility in the Asia Pacific Program to reach the target of 5,000 Australian students studying in Asia annually.

Response
Noted.

Comment
A review of the Australian Government University Mobility in Asia and the Pacific (UMAP) program has been initiated. The review will examine the effectiveness of the program in terms of its objectives, to increase:

- the number of active, viable bilateral student exchange agreements;
- cooperation between Australian universities and their counterparts in the region in the development of higher education programs, and
- the number of Australian graduates with cultural, language and professional experience relevant to the region.

The review will provide an information base against which the JSCFADT’s Recommendations will be considered.

Recommendation 23:
The Department of Foreign Affairs and Trade, through the establishment of the International Cultural Council, and in conjunction with the Australian Vice Chancellors’ Committee develop strategies for the promotion of Australian excellence in educational and cultural fields.

Response
Noted.

Comment
The Government expects that the Australia International Cultural Council (AICC) will primarily focus on promotion, through Australia’s cultural relations programs, of Australia’s performing and visual arts in support of foreign and trade policy objectives. The AICC does not have a specific educational mandate. The interest of the Australian Vice-Chancellor’s Committee (AVCC) in the work of the Council has, however, been brought to the Council’s attention.

It is proposed that DFAT and the AVCC work in conjunction with Australian Education International (AEI) to develop strategies for the promotion of Australian excellence in education. AEI, the Government agency established within the
Department of Education, Training and Youth Affairs (DETYA) to promote Australian education and training overseas, has leading responsibility for the promotion of Australian excellence in education in international student markets. In addition, AEI has a broader brief than just the higher education sector, and is concerned to ensure that excellence in all sectors is appropriately promoted.

Recommendation 24:
The Department of Foreign Affairs and Trade and the Department of Employment, Education, Training and Youth Affairs liaise with the Australian Vice Chancellors’ Committee to investigate the establishment of a network of supporting arrangements for foreign students studying in Australia.

Response
Noted.

Comment
The Government supports the intentions behind this Recommendation and would draw to the JSCFADT’s attention the comprehensive and coordinated work that is being done by AEI in what is now DETYA, the AVCC and other peak bodies to support foreign students studying in Australia.

AEI activities include:

- publishing a national survey in 1998 to benchmark support services provided by universities for the students they recruit overseas;
- conducting major national survey of international students in 1997, 1999 and 2000 (the later two with the explicit support of the National Liaison Committee for International Students in Australia, the peak representative student body), to identify the views of international students, inter alia, on the provision of academic support services;
- sponsoring national conferences of international students and student organisations, including the National Liaison Committee for International Students in Australia and the International Student Advisors Network of Australia. These organisations contribute respectively to the improvement of services for international students and the professional development of staff who deliver them; and
- publishing a study into fostering social cohesion in universities in 2000 and disseminating the study to institutions which enrol international students.

DETYA is currently developing a National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students which will be enforceable under the proposed revisions to the Education Services for Overseas Students (ESOS) Act.

The AVCC has strengthened and updated its Code of Ethical Practice in the Provision of Education to International Students by Australian Universities. The Code aims to safeguard the interests of international students, and assure the quality of the information and educational experience provided by universities. The Code provides ethical practice guidelines for universities on promotion, marketing, agents and partners, providing information, admission of students, arrival and orientation, student support, fee-charging and refunds, university infrastructure and returning home support.

Recommendation 25:
The Australian Government investigate the feasibility of establishing a broad based Australia ASEAN Council comprising business, academic and cultural interests, as well as relevant government and non government agencies, to support, coordinate and review Australia’s programs which seek to advance Australia’s relations with ASEAN.

Response
Noted.

Comment
Since 1984, when the possible establishment of an Australia ASEAN Council was first raised by the JSCFADT, the concept has been given regular consideration by successive Governments. In the intervening period, the level of mutual understanding and engagement between Australia and ASEAN has grown considerably, manifested in the development of such fora as the ASEAN Australia Forum (AAF).

These fora have, in the past, operated along the lines that the JSCFADT is suggesting for the Australia ASEAN Council. The 1996 AAF, for example, included representatives from many Government departments, business chambers and companies trading with ASEAN. The AFTA-CER process also involves the participation of government and business.

The most recent meeting of the AAF, held in Canberra in June 2000, adopted a new format designed to be a high level, streamlined and focused forum addressing political, economic and strategic issues of relevance to both Australia and the ASEAN member countries. It was thought that some of the working groups duplicated work undertaken in other fora, such as APEC. The working groups on the environment and culture and information have been retained to continue to work independently and provide brief reports to the AAF. It was also agreed with ASEAN member countries that business participation would be more usefully facilitated through AFTA-CER and
bilateral fora. ASEAN member countries have been very positive in their support of this new approach to the AAF.

Australia has close co-operative relations with ASEAN on cultural and academic issues. The involvement of Australia in the ASEAN Committee on Culture and Information (COCI) is a demonstration of this fact.

Given that linkages between ASEAN and Australia continue to expand across a diverse range of endeavours, it may be that the imperative for the creation of an Australia ASEAN Council has diminished over time, although the Government will continue to explore the means by which relations might be enhanced.

Recommendation 26:
Post privatisation, the Government continue to monitor and enforce the adherence of Australia Television (ATV) to the contractual obligations requiring the use of Australian content, the retention of Australian and ABC news and current affairs and the service’s consistency with broader national objectives.

Response
Noted.

Comment
On 8 August 2000, the Government announced an initiative to enhance Australia’s broadcasting into the Asia Pacific, recognising the dynamic nature of the region, and the importance of a credible, reliable and independent voice. As part of this initiative, the Government has requested proposals for an editorially independent Australian television presence in the region, projecting accurate images and perceptions about Australia and its way of life.

Australia Television is a commercial service operated by the Seven Network. Since 1 July 1999 the Government has ceased to fund the provision of news services by the ABC.

To ensure that international broadcasting services operated from Australia are in the national interest, the Government has agreed in principle to permit international broadcasting from Australia by companies incorporated in Australia, subject to a case-by-case assessment by the Minister for Foreign Affairs based on national interest criteria. A bill to implement a licencing scheme for international broadcasting services operating from Australia which addresses national interest and other relevant criteria is currently before the Parliament.

Recommendation 27:
The Government restore the Cox Peninsula transmitters to full operation for the use of Radio Australia.

Response
Noted.

Comment
On 22 May 2000, the Minister for Finance and Administration determined that Christian Vision Ltd would be granted a 10 year non-exclusive licence to operate the Cox Peninsula transmission facility following the conclusion of an international tender process. Christian Vision is a United Kingdom based registered charitable company.

The Government currently contributes $7.2 million per annum to the ABC to fund a Radio Australia service to Pacific Island nations and Papua New Guinea. The funding is used to provide English language and Tok Pisin programming and to pay for satellite costs. Some of this money is also used to fund shortwave services which will continue to be broadcast to audiences in Papua New Guinea and the South Pacific region from the Shepparton and Brandon shortwave transmission facilities. In addition, the ABC contributes approximately $1.6 million to provide Indonesian, Mandarin, Khmer and Vietnamese foreign language programming.

Under the initiative announced on 8 August 2000 to enhance Australia’s broadcasting into the Asia Pacific, Radio Australia will be provided with up to $3 million of additional funding per year for three years to ensure it is able to strengthen transmission arrangements in the region and to enhance its online services.

The Government is confident that the additional $3 million per year in funding combined with existing resources will ensure that sufficient alternatives are available to the ABC to increase its transmission capacity or reach to Asia. These options include leasing offshore sites, access to the Cox Peninsula facility or organising relays of its programs. Radio Australia has been innovative in this regard, establishing retransmission arrangements with 83 stations in the Asia-Pacific region alone, and leasing capacity from offshore transmission facilities in Taiwan.

Recommendation 28:
The Australian Government, in both its bilateral dialogue and in the multilateral forums of ASEAN:
(a) encourage countries of the region to adhere to Article 19 of the Universal Declaration

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of Human Rights - Everyone has the right to freedom of opinion and expression; and
(b) press governments in the region for the repeal of the anti-subversion laws.

Response
a) Agreed.
b) Noted.

Comment
The Australian Government has consistently encouraged regional countries to respect and adhere to fundamental human rights, including the rights to freedom of expression, religion, association, assembly and a free press.

The Australian Government raises the issue of national security laws in its bilateral dialogue with countries in the region, where we think those laws have been used inappropriately to detain people for the peaceful expression of their political views.

In 1999, in delivering Australia’s main statement to the Third Committee of the United Nations General Assembly, our Permanent Representative to the United Nations emphasised our concern at the way national security legislation is misused in many countries to deal harshly with the peaceful expression of opinion or belief.

Also at the multilateral level, a consensus resolution at the Commission on Human Rights deals with the question of arbitrary detention, including detention under the auspices of national security legislation as outlined in Article 29 of the UDHR and Article 19 of the International Covenant on Civil and Political Rights (ICCPR). Australia regularly co-sponsors this resolution.

Recommendation 29:
The Australian Government continue to use its position on the Mekong River Commission and through bilateral relations to ensure that social and environmental concerns are paramount in river system management and development.

Response
Agreed.

Comment
Australia is not a member of the Mekong River Commission (MRC), and does not attend meetings of the MRC. The member states are Thailand, Cambodia, Laos and Vietnam. These countries are four of the six Mekong River riparian states which are individually and collectively responsible for the management of the Mekong River and its Basin. (The other two countries are Burma and China). However, Australia is one of a range of developed countries whose aid programs support the activities of the MRC.

Through its support for the MRC, and in its bilateral relations with the MRC member states, Australia will continue to accord a high priority to assisting the responsible Governments to manage the Mekong River and its basin, with due consideration to relevant environmental and social issues.

Where appropriate, the Government will work to establish linkages between Mekong River riparian states and the Australian private sector to enhance awareness of, and provide solutions to, social and environmental problems experienced by these states.

Recommendation 30:
The Australian Government:
(a) examine the possibility of expanding its regional aid program, such as the South East Asia regional program (SEARP), in order to address cross regional issues such as water, forestry, energy, labour standards and protection and issues relating to the trafficking of women and children in the region; and
(b) provide an increase in funding to the regional aid programs commensurate with any expanded scope of the program.

Response
Agreed in part.

Comment
The Government acknowledges the role of regional aid programs in addressing transboundary regional issues, particularly for high priority issues which are not easily managed under AusAID’s bilateral country programs. Regional programs also play an important role in supporting regional cooperation and economic integration, which in turn are widely accepted to contribute to economic growth and poverty alleviation.

Water resource issues continue to receive support under the SEARP through our programs of cooperation with the Mekong River Commission (MRC), the pre-eminent catchment management organisation in the region: we are currently negotiating two new activities with the MRC. We also continue to support energy policy and regional cooperation on energy through a A$5 million project under the ASEAN Australia Economic Cooperation Program (AAECP). Trafficking of women and children in the region has become an issue of increasing concern to regional Governments and to Australia, and a major response is now under development through the SEARP, valued at approximately A$10 million over five years. Combatting the spread of HIV/AIDS is also a crucial humanitarian and developmental
challenge for the region, and Australia will continue to support a South East Asian regional response within the framework of Mr Downer’s recent A$200 million global HIV/AIDS initiative. Forestry issues have been addressed in Cambodia and in Indonesia, but mechanisms for a truly regional response are yet to develop.

Responding to the recent regional economic crisis has been one of the most urgent issues for Australian aid in the region in the past few years. Australia’s response has been fast and effective, involving more than A$150 million to help affected countries overcome the crisis and related problems.

An important and very high profile mechanism for Australian engagement with ASEAN at a regional level will be the upcoming ASEAN Australia Development Cooperation Program (AADCP). Valued at A$45 million over 5 years from 2001, the program will include projects on economic integration and enhancing ASEAN competitiveness, a regional partnerships scheme and a regional economic policy support facility. The poorer ‘new ASEANs’ will be a key focus of the AADCP.

Funding issues for regional programs are determined not only in the context of the scope of the program, but also based on available resources for the aid budget as a whole and the relative merits of regional and other approaches (especially bilateral programs). Nevertheless, it should be noted that funds for Asia regional programs expanded significantly in response to the regional economic crisis, from A$20.5 million in 1997-98 to A$38.3 million in 1999-2000. While funding has decreased somewhat in 2000-01 as the regional economic crisis ‘tails off’, the Government’s commitment to the new AADCP, new regional economic cooperation, and an ongoing response to the economic governance issues revealed by the regional economic crisis indicate that Australian regional aid programs in Asia will continue to be substantial.

Recommendation 31: The Australian Government seek to strengthen civil society through training and other forms of institutional development in regional countries and thereby strengthen Australia’s relationships with the non-government sectors in those countries.

Response

Agreed.

Comment

Promoting and supporting good governance in developing countries is a key priority of the Australian Government’s development cooperation program. This is based on a recognition that good governance is an essential precondition for sustainable development. Support for the development of civil society has been identified as one of the four key areas of assistance under the aid program’s governance framework (along with improving economic and financial management, strengthening law and justice and increasing public sector effectiveness).

In 1999-2000, over 38 per cent of Australia’s governance assistance was directed towards strengthening civil society. One of the important ways in which this is done is through Australia’s NGO programs. The development cooperation program also provides support to strengthen other civil society organisations and institutions such as cultural, sporting and other community groups, the media, professional associations, chambers of commerce and trade unions.

An example is the Philippines Australia Community Assistance Program (PACAP). PACAP is a program of direct assistance to Non Government Organisations (NGOs) or people’s organisations in the Philippines. PACAP’s aim is to raise the living standards of poor and marginalised Filipinos through funding community based self-help projects, as well as strengthening the capacity of these organisations to carry out community development activities.

Other examples are in East Timor, where Australia’s Community Assistance Scheme has helped a large number of local groups with employment, income generation and community development activities, and in Bougainville, where civil society is being strengthened through a range of training programs.

The Centre for Democratic Institutions (CDI), established by the Government in 1998, harnesses the best of Australia’s democratic experience to support good governance in developing countries through training, information exchange and networking. An important component of the CDI’s work is those activities that focus directly on institutions of civil society, such as media training courses for journalists.

In 1999-2000 Australia’s ODA expenditure on activities directly supporting good governance was estimated at A$252.5 million, including A$83.7 million for activities aimed at strengthening civil society. This very substantial effort towards strengthening civil society will continue to be a key component of the Government’s support for effective governance in developing countries.
Recommendation 32:
Given the emphasis on the need for improved regulatory systems in the financial sector of countries in the region, the Government support projects to encourage international standards of accounting and auditing throughout the region.

Response
Agreed in part.

Comment
The Government recognises that there is significant scope for improvements in the regulatory systems of the financial sectors of some countries in the region. The systemic and structural weaknesses in some major ASEAN countries exposed by the recent crisis, however, require responses deeper and broader in scope than just encouraging international standards of accounting and auditing throughout the region.

The Government’s Aid Program in economic governance aims to assist developing ASEAN countries implement the key economic reforms, including in the financial sector, essential for long-term economic growth and poverty reduction. Significant regional and bilateral projects aimed at promoting economic governance in the region have been supported under the A$50 million Financial and Economic Initiatives (1998-2001) announced by the Government in November 1998. Many of the bilateral and regional governance activities supported under this initiative will continue beyond 2001.

The Government also established in 2000-01 the A$6 million Asia Recovery and Reform Fund to support on-going regional initiatives in this area. Key corporate governance projects being supported under this fund involving ASEAN countries include: the A$0.755 million Managing Regulatory Change in Life Insurance and Pensions Project, which involves key regulatory agencies from the region and Australia; and the $0.204 million Insolvency Forum Project, a regional initiative which inter alia will address poor accounting and auditing standards in many Asian countries.

Recommendation 33:
The Australian Government:

a) reinstate a well funded legal services assistance program within the Attorney-General's Department; and

b) ensure there is greater coordination and cooperation between the Attorney-General's Department and AusAID in the development and delivery of those legal training and education programs currently within regional development assistance programs.

Response
a) Agreed in part.

b) Agreed in part.

Comment
a) The advisory function of the Australian International Legal Cooperation (AILEC) Committee has now been absorbed by the International Legal Services Advisory Council (ILSAC), which has four main areas of interest: (i) globalisation of legal services and market access; (ii) international commercial dispute resolution; (iii) international legal cooperation; and (iv) international legal education and training. The principal goal of the Council is to improve Australia's international performance in the field of legal and related services.

The Secretariat to ILSAC is supported by the program funds of the Attorney-General’s Department. The Council has no program funds but is able to access assistance grants through agencies such as AusAID as well as various bodies, such as the Australia-Indonesia Institute, located within the Department of Foreign Affairs and Trade. The Attorney-General’s Department has developed good cooperative links with the relevant agencies, including AusAID, and would support the continuation of the current arrangements which have worked well in terms of the provision of legal assistance in the region, and in ASEAN in particular.

b) The Government acknowledges that the establishment of an appropriate legal, judicial and regulatory environment is necessary for social and economic development, as well as international trade and investment. The aid program’s focus on good governance includes activities aimed at strengthening legal sectors in recipient countries.

The Attorney-General’s Department has also hosted or supported many visits to the Department by visitors or delegations from ASEAN. Some of the costs of holding these visits have been met by existing programs. To date, the financial burden of facilitating these visits has not been extensive.

b) The Government acknowledges that the establishment of an appropriate legal, judicial and regulatory environment is necessary for social and economic development, as well as international trade and investment. The aid program’s focus on good governance includes activities aimed at strengthening legal sectors in recipient countries.

The aid program undertakes a collaborative approach with governments in recipient countries to determine priority needs, which may include legal sector development. AusAID relies on the expertise provided by both the public and private sectors for the provision of goods and services to recipient countries, and thus contracting out is an integral part of aid delivery. Experts are contracted on the basis of an open and competitive tender to design and implement projects in a large
number of sectors, including legal training and education.

AusAID has been represented on ILSAC and endeavours to inform ILSAC of activities under development. Both ILSAC (from the perspective of improving Australia’s international performance in legal services) and the Attorney-General’s Department can submit proposals for legal assistance activities or projects on the same terms as non-government organisations and the private sector.

While the Government agrees that there is scope for enhanced coordination and cooperation between AusAID and the Attorney-General’s Department in the development and delivery of legal training and legal education, such delivery must comply with Commonwealth Purchasing Guidelines as they relate to an open and competitive tendering process.

Recommendation 34:
The Australian Government in its bilateral discussions and in appropriate multilateral forums such as the ASEAN Regional Forum, continue to encourage the countries of ASEAN and the wider region, in particular China, to ratify the Inhumane Weapons Convention (IWC), Protocol II and the Ottawa Treaty.

Response
Agreed.

Comment
Consistent with Australia’s support for a global ban on anti-personnel mines and its ratification of the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (the Ottawa Convention), Australia continues to work bilaterally and through all appropriate regional and multilateral fora to encourage the broadest possible adherence to the Ottawa Convention.

Four members of ASEAN (Thailand, the Philippines, Cambodia and Malaysia) have ratified the Ottawa Convention, and another two (Brunei and Indonesia) have signed. The Government uses Australia’s extensive range of bilateral dialogues in South-East Asia to encourage support for the Ottawa Convention. In addition, the Government is exploring with the Australian Network of the International Campaign to Ban Landmines (ANICBL) scope for a collaborative effort in the region aimed at encouraging regional countries to accede to the Convention.

Some countries, regrettably, argue they are not yet in a position to accede to the Ottawa Convention’s complete ban on the production, transfer and use of landmines. The Government therefore supports the negotiation of a separate ban on the transfer of anti-personnel mines. Such a ban could be negotiated through the Conference of Disarmament and would complement the Ottawa Convention.

The Government also calls on those countries not yet in a position to sign the Ottawa Convention to adhere to the Amended Protocol II (AP II) of the Inhumane Weapons Convention (IWC) - also known as the Convention on Certain Conventional Weapons. AP II regulates rather than prohibits the use of landmines and greater adherence has the potential to contribute significantly to a reduction of the humanitarian impact of landmines.

The Government supports efforts through the ASEAN Regional Forum to encourage members to sign and ratify the Ottawa Convention and to adhere to the Inhumane Weapons Convention. Half of the members of the ARF have ratified the Ottawa Convention (Australia, Cambodia, the Philippines, Malaysia, Thailand, Canada, EU [all except Finland], Japan and NZ). A similar number of ARF members have ratified the IWC’s Amended Protocol II (Australia, Canada, China, Japan, New Zealand, the Philippines, the United States and roughly half of the EU).

Recommendation 35:
The Government continue its broad based support for and involvement in the ASEAN Regional Forum and the second track dialogue CSCAP process.

Response
Agreed.

Comment
The key components of Australia’s regional security strategy are maintaining a strong defence capability, the security alliance with the United States, developing bilateral defence and security relationships with countries throughout the Asia Pacific, and strengthening multilateral security links in the region, especially the ASEAN Regional Forum (ARF). For Australia, the ARF’s value is as a complement to our bilateral alliances and security relationships. Australia played a key role in the establishment of the ARF and has been a strong supporter of the ARF process since the first meeting in Bangkok in 1994. The ARF provides a forum in which members can discuss regional political and security issues of concern and develop cooperative measures to contribute to the maintenance of peace and security in the region and to the avoidance of conflict. From tentative beginnings, the Forum has made remarkable pro-
should encourage ASEAN states to join is the Asia Pacific Group on Money Laundering (APG) rather than the FATF as such. FATF’s mandate is to expand to include politically strategic new members such as Russia and the People’s Republic of China. There is virtually no prospect of its taking in additional members from South East Asia. The APG was established in February 1997 to take forward anti-money laundering initiatives in a cooperative, regional manner. It is the regional anti-money laundering body and recognised as such by FATF which supports the APG’s operation and that of similar regional groups around the world. The APG has 19 member countries, including the Philippines, Singapore, Thailand and Hong Kong, China. The APG’s role is to encourage and assist the countries of the region to adopt international anti-money laundering standards and implement anti-money laundering initiatives, including more effective mutual legal assistance, and to undertake mutual compliance evaluation of members with the FATF 40 recommendations.

Recommendation 37:
To improve our regional dialogue and legal cooperation on matters relating to transnational crime, the Government ensure that there is legal representation in at least one major diplomatic post in the region.

Response
Not agreed.

Comment
The Government recognises the intent behind this recommendation and notes that many of Australia’s missions in the region have on their staff officers with legal qualifications. However, the Attorney-General’s Department was required to withdraw its representation from both Brussels and Washington, DC during the late 1990s. Unlike the Australian Federal Police, which has a growing network of overseas liaison posts dealing with practical aspects of transnational organised crime on a day-to-day basis, the Attorney-General’s Department now has no overseas representation. The Government does not believe that establishment of permanent legal representation in the region would be an effective use of resources.

In addition, the Attorney-General’s Department and other agencies will continue to liaise with relevant national authorities within the region, including through the Department of Foreign Affairs and Trade, on matters relevant to transnational crime. In addition to pursuing bilateral negotiations on extradition, mutual assistance and international prisoner transfer, the Attorney-
General’s Department actively participated in the Asian Regional Ministerial Meeting on Transnational Crime (Manila, March 1998), the Asian Regional Preparatory Meeting for the Tenth United Nations Congress on the Prevention of Crime and the Treatment of Offenders (Bangkok, October 1998) (the Department having provided the rapporteur for the previous regional meeting) and the Asia-Pacific Ministerial Seminar on Building Capacities for Fighting Transnational Organized Crime (Bangkok, 20-21 March 2000), at which Justice Ministers declared their governments’ commitment to work closely together in combating transnational organised crime. The Minister for Justice and Customs, in addition to attending the March 2000 Seminar, has travelled extensively in the region to discuss organised crime issues with her counterparts.

Recommendation 38:
The Australian Government:
(a) investigate the practice of other countries in their use of resources to ensure the security of national borders; and
(b) following appropriate negotiation, seek to increase the number of Australian Federal Police (AFP) liaison officers in countries in the region.

Response
a) Agreed.
b) Agreed.

Comment
(a) Ideas concerning the constitution of a nation’s security are changing in light of the end of the Cold War, globalisation and the perception that transnational issues, such as environmental concerns and international criminal activity, are becoming more important.

Within Australia, there are growing levels of public concern about the effects on society and its institutions of problems such as the importation of illicit drugs, people smuggling, money laundering, the importation of exotic plant, human and animal diseases (as a result of illicit activities) and the erosion of business probity (as a result of the need to operate in an increasingly corrupt international environment).

Unlike military preparations, which are made in the context of a future threat that may never eventuate, problems encountered by law enforcement agencies, including imported ones, are of immediate concern. The Government continues to examine the disposition of national resources so as to better counter some of the problems outlined above.

Certainly, other Western nations such as Britain, the United States, France and Germany have identified the need to broaden the concept of security and harness some of their security intelligence and defence assets to assist in areas which are not the traditional domain of security.

The extent to which this could be done without unduly eroding traditional national security is a delicate issue, which should be the subject of careful consideration.

To that end, Australia supports the active involvement of regional organisations such as ASEAN, the ASEAN Regional Forum (ARF) and the Asia-Pacific Consultations on Refugees, Displaced Persons and Migrants (APC) to combat illegal immigration and other non-traditional security threats in the region and elsewhere. At the same time, Australia is actively engaged in developing cooperative arrangements with source and transit countries to combat people smuggling and other transnational crime issues.

(b) The Government, through its National Illicit Drugs Strategy (NIDS), has provided the Australian Federal Police (AFP) with funding to expand overseas liaison posts. This has included the establishment in the region of Liaison Officer postings in Beijing, Hanoi, Rangoon and two Liaison Officer positions in Hong Kong. Although the China and Hong Kong positions do not directly relate to the recommendation concerning new positions in ASEAN countries, they do address a general regional problem relating to the increasing volume of international criminal activity involving China and Hong Kong.

Under the Government’s strategy to combat unauthorised arrivals in Australia (people smuggling), the AFP has established an additional liaison officer position in Jakarta.

Other initiatives flowing from the National Illicit Drugs Strategy include the formation of ten mobile strike teams based in Sydney, Melbourne, Brisbane and Perth. One of the strategies adopted in managing these teams has been to work more closely with regional law enforcement authorities in targeting criminal networks overseas, thus enabling these networks to be dismantled. This strategy has resulted in the development of a far closer operational relationship with a number of regional enforcement authorities than previously. Results from this strategy have been very positive.

The Government’s National Illicit Drugs Strategy and people smuggling strategy also provides additional funding for bilateral training between Australia and regional police services, through law enforcement cooperation programs in the
Asia-Pacific region and the rest of the world. The AFP regards training as a particularly valuable way to raise regional policing standards and to develop durable and serviceable linkages between the AFP and regional police services.

The AFP has become more actively involved in supporting the Asia branch of Interpol and the Council for Security Cooperation in the Asia-Pacific (CSCAP). The AFP is proposing to establish a liaison officer position in the Interpol Regional Secretariat, Bangkok. The AFP Commissioner of Police is one of the three Asia delegates for the Executive Committee of Interpol and the AFP is co-chair of the CSCAP Working Group on Transnational Crime. These fora assist the countries of South East Asia to provide a more united approach to the problem of crime in the region, and raise the profile of international crime as a security issue.

ADDITIONAL COMMENTS FROM GOVERNMENT AGENCIES AND STATUTORY AUTHORITIES

The Australia Council

The Australia Council is prepared to be represented on the Australian delegations to the ASEAN Australia Forum and the working party of the ASEAN Committee on Communications and Information, where appropriate (Recommendation 17).

The National Gallery of Australia

The National Gallery of Australia is supportive of cultural relationships with South East Asia. The National Gallery has undertaken several activities in regard to South East Asian cultural projects, exhibitions and research, and would wish to be kept advised of ASEAN initiatives.

The National Science and Technology Centre (NSTC)

The NSTC supports Recommendations 23 and 25 and notes that the NSTC would like to be involved, should the proposed Australia ASEAN Council proceed.

The National Library of Australia

The National Library has strong long standing relationships with national libraries in the Asia region, and it will continue to support the development of these libraries through the allocation of funding to specific training and development activities under the Regional Cooperation Program administered by the Library. The Library also manages the International Federation of Library Associations Preservation and Conservation program for the Asia region. In addition the National Library regularly hosts librarians from the Asia region for training in librarianship and conservation. The Library has an office based in the Australian Embassy in Jakarta and through this office the Library actively participates in conferences and activities in the region. Given this strong base, the Library is well placed to contribute to government policies resulting from the recommendations of the Committee.

GOVERNMENT RESPONSE TO THE JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE “AUSTRALIA’S TRADE RELATIONSHIP WITH INDIA: COMMONWEALTH, COMMON LANGUAGE, CRICKET AND BEYOND”

Introduction

The Government welcomes the opportunity to comment on the Report by the Trade Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade on “Australia’s Trade Relationship with India: Commonwealth, Common Language, Cricket and Beyond”. The Report offers a thorough account of an increasingly important trade relationship to Australia.

Australia’s trade relationship with India is rapidly developing maturity. With the Coalition victory in March 1996, the development of commercial ties with India has been given new expression and impetus. Strong Ministerial support for, and involvement in, a major integrated country promotion, “New Horizons”, provided a particularly noteworthy example of this. Trade figures also reinforce this point. Two way trade between the two countries in 1999-2000 was $2.3 billion, a figure double that of bilateral trade in 1992-93.

Development of trade ties to their current levels would have been impossible without the instigation of a program of fundamental economic reform in India from the early 1990’s. This reform, sustained over the course of a decade, has significantly redefined the architecture and operation of the Indian economy. Now, for the first time since India’s independence, India has become exposed to competition from without, and has taken important initial steps towards becoming an important player in the global economic community. Although there is still some way to go, and the reform agenda remains politically difficult, the Australian Government is encouraged by India’s efforts to date in strengthening and liberalising its economy.

Considerable media attention was given to the Australian Government’s response to Indian nuclear testing in May 1998, and the possible adverse impact this might have on the trading rela-
tionship. The Government responded to the tests by suspending Ministerial and senior official visits, both to and from Australia, and suspending defence ties and non-humanitarian aid. Australian measures did not extend to the imposition of sanctions on trade and investment with India, and there was no clear evidence that the measures adopted by the Australian Government adversely impacted upon the commercial relationship.

The Hon Nick Dondas AM MP, Chairman of the JSCFADT Trade Sub-Committee, noted in his introduction to the report that although the tests had put a “comma” in the Australia-India relationship, Australia must continue to build on its trade and investment relationship with India. The Government supports this observation. The Report has provided focus for the Government in its efforts to enhance the relationship in a coherent and strategically planned manner.

**Recommendation 1:**

**The Australian Government, in advancing Australia’s commercial interests in India, ensure that the heterogeneity and regional and state differences to be found in India are reflected in trade policy development and trade promotion activities.**

**Response**

Agreed.

**Comment**

The Government agrees with the Sub-Committee’s Recommendation that Australia’s market development strategy needs to take into account market diversity borne of regional and state heterogeneity within India. With its economic reform program opening Indian markets to trade and investment, and with Australia’s trade push intensifying, our understanding of India’s regional characteristics, cultural sensitivities, and style of governance of various states is becoming increasingly important and sophisticated.

Many economic powers have been devolved from India’s Central Government, allowing greater participation by state governments in developing their own economies. This, together with each state’s infrastructure capacity, resource endowments, and varying attitudes towards the process of economic reform need to be closely heeded by the Government in formulating market strategies for India and assessing the differing levels of economic opportunity afforded by various Indian states.

The Government has taken a number of concrete steps to ensure that it has current information on India’s commodity trade needs across the country, and the capacities of various states to absorb foreign investment. Senior officers in the Australian High Commission in New Delhi regularly travel to the range of Indian states to evaluate and discuss prevailing economic conditions, and identify potential trade opportunities for Australian business.

In addition, Austrade has a network of offices in New Delhi, Mumbai, Chennai, Calcutta and Bangalore. This reflects the Government’s recognition of the importance of positioning itself on the ground in major Indian centres of commerce to gain a clear composite picture of the needs and opportunities in the diverse Indian market.

**Recommendation 2:**

The Australian Government urgently review its decision which led to the closure of the Cox Peninsula transmitter and provide facilities to enable Radio Australia to transmit short-wave radio broadcasts into India

**Response**

Not Agreed.

**Comment**

The ABC’s Charter requires it to, amongst other things, transmit to countries outside Australia broadcasting programs of news, current affairs, entertainment and cultural enrichment that will:

- Encourage awareness of Australia and an international understanding of Australian attitudes on world affairs; and
- Enable Australian citizens living or travelling outside Australia to obtain information about Australian affairs and Australian attitudes on world affairs.

The Government announced, on 8 August 2000, an initiative to enhance Australia’s broadcasting into the Asia Pacific, recognising the dynamic nature of the region, and the importance of a credible, reliable and independent voice. Under this initiative, Radio Australia will be provided with up to $3 million of additional funding per year for three years to ensure it is able to strengthen transmission arrangements in the region and to enhance its online services.

In addition, the Government is examining ways to provide an editorially independent Australian television presence in the region, projecting accurate images and perceptions about Australia and its way of life.

The Government is confident that the additional $3 million in funding combined with existing resources will ensure that sufficient alternatives are available to the ABC to increase its transmission capacity or reach to Asia. These options include leasing offshore sites or organising relays of its programs. Radio Australia has been innovative in this regard, establishing retransmission ar-
arrangements with 116 stations in the Asia-Pacific region alone, and leasing capacity from offshore transmission facilities in Taiwan.

On 22 May 2000, the Minister for Finance and Administration determined that Christian Vision Ltd would be granted a 10 year non-exclusive licence to operate the Cox Peninsula facility following the conclusion of an international tender process. Christian Vision is a United Kingdom based registered charitable company.

The Government has agreed in principle to permit international shortwave broadcasting from Australia by companies incorporated in Australia, subject to a case-by-case assessment by the Minister for Foreign Affairs based on national interest criteria. A bill to implement a licencing scheme for international broadcasting services operating from Australia which addresses national interest and other relevant criteria is currently before the Parliament.

**Recommendation 3:**

The Prime Minister of Australia consider making an official visit to India, accompanied by a delegation of senior Federal Ministers, once relations are normalised.

**Recommendation 4:**

The Minister for Trade put together a trade mission to India to coincide with the visit to India of the Prime Minister of Australia.

**Recommendation 5:**

The Australian Government put together, in consultation with industry, an ongoing program of trade visits to India with the visits to be led by senior Ministers.

**Response**

Agreed.

**Comment**

The Government agrees with the comments made in the Report on the extent to which high level visits underpin the strength of bilateral relationships. It recognises that particular benefits can accrue from senior level visits to India, which are capable of overcoming the bureaucratic hurdles which can impede bilateral trade and investment.

The Government imposed a suspension on Ministerial and senior official visits in the wake of the May 1998 nuclear tests. This measure was relaxed in November 1998, and since that time a series of senior Government Ministers have visited India. The then-Deputy Prime Minister and Minister for Trade, the Hon Tim Fischer MP, visited India in February 1999. In addition to commencing the process of restoring the bilateral relationship from the strains caused by the nuclear testing issue, Mr Fischer also used the opportunity afforded by his visit to promote the bilateral commercial relationship, by co-chairing the Joint Ministerial Commission meeting, which was held back-to-back with the Australia-India Joint Business Council meeting.

Mr Fischer’s visit was followed by a highly successful visit by the Minister for Foreign Affairs, the Hon Alexander Downer MP, in March 2000, with the program of Ministerial visits culminating in the visit by the Prime Minister of Australia in July 2000. These visits underscored the interest of both sides in increasing the level of engagement between Australia and India. The Department of Foreign Affairs and Trade is currently considering possible modalities for enhanced Ministerial-level and senior official-level dialogue, to be considered by the Government in due course.

Maintaining the substantial momentum generated by increased Ministerial exchanges, the Minister for Trade, the Hon Mark Vaile MP, visited India in October 2000, and led a business delegation on that visit. There are also plans for the Minister for Communications, Information Technology and the Arts, Senator the Hon Richard Alston, to visit India in December 2000, and lead an information technology industry business delegation. An Australian Parliamentary delegation visited India in November. Other senior Ministerial visits, while not yet confirmed, are currently under active consideration.

The Government supports the development of regular bilateral visits by our respective Ministers for Trade, particularly when combined with meetings involving influential and interested business interlocutors. The development of parallel meetings of the Australia-India Joint Business Council and the Australia-India Joint Ministerial Commission have clearly demonstrated the additional benefits accruing when Ministerial and business involvement is combined.

Importantly, there is an equal need to encourage a greater number of Indian Ministers to visit Australia. In addition to the visit by Indian Minister of Commerce and Industry, Murasoli Maran, in April 2000, the Indian Minister of Textiles, Kashi Ram Rana visited Australia in November, in a substantially commercially focused visit. Other visits by Indian Ministers are under active consideration.

**Recommendation 6:**

The Australian Government provide sufficient direct and indirect funding to ensure the continued viability of the specialised research centres that focus on India, South Asia and the Indian Ocean Region.
Response
Noted.

Comment
The Australian Government has provided assistance to specialised research centres focusing on India and South Asia, through funding available from the Commonwealth Department of Education, Training and Youth Affairs (DETYA) and the Department of Foreign Affairs and Trade.

In the past, the Government, through the former National Priority Reserve Fund, provided seed funding on a competitive basis to encourage innovative research programs by various research centres, and to encourage centres to become self-sufficient. The National Centre for South Asian Studies (NCSAS) is an example of one South Asian research centre which benefited from assistance under this fund. Research funding is currently available on a competitive basis to research centres and qualified researchers through the Australian Research Council. In addition, DETYA provides funding to universities for research, research infrastructure and research training.

The Department of Foreign Affairs and Trade has previously supported the IOR-ARC process through the provision of funds to the Indian Ocean Centre, which was originally established as a joint initiative of the Department of Foreign Affairs and Trade, the Western Australian Department of Commerce and Trade, and Curtin University. Future work is likely to be based on a competitive tendering process for individual projects.

Recommendation 7
DETYA, in consultation with the universities increase funding to preserve the study of the Hindi language and eliminate the uncertainty surrounding the availability of Hindi courses in Australia.

Response
Noted.

Comment
The Government is, however, concerned to ensure that students at Australian universities have available to them the highest quality academic courses which reflect their diverse academic and vocational interests. The Government has encouraged universities to collaborate with each other, and with other institutions and organisations, to maximise student choice through the development or trial of alternative approaches which will make it possible to continue to offer courses with low enrolments. The Minister for Education, Training and Youth Affairs approved grants under the 1998 Higher Education Innovation Program to be awarded in the areas of Maintaining Student choice to support a number of projects. Under this program, the Collaborative Teaching of Small-Enrolment Asian Languages project undertaken by a consortium of six universities in NSW and the ACT will see joint delivery of courses in lower enrolment languages, including Arabic, Hindi, Urdu, Thai, Lao, Vietnamese, Korean and Russian.

Recommendation 8:
The Department of Foreign Affairs and Trade, which chairs the India Contact Group, ensure that all State and Territory-based India business associations are invited to participate in Group meetings.

Response
Agreed.

Comment
The India Contact Group (ICG) was established in December 1996 to provide a consultative mechanism for government and non-government agencies and organisations wishing to pursue closer ties with India. Since its inception, the ICG has predominantly comprised officials from federal and state government departments, with participation from a small number of major business organisations, most notably the Australia-India Business Council and the Australia-India Chamber of Commerce (Victoria Branch). Because of limited interest shown by business groups in participating in the ICG, its focus has largely been on enhancing inter-departmental and inter-governmental relations.

In accepting the Sub-Committee’s Recommendation, efforts have been made to expand business participation in the India Contact Group. This has ultimately proven to be unsuccessful, partly because of a lack of interest in the work of the Group, but also because of the inconvenience occasioned by the need for business representatives to travel to Canberra to participate in meetings. The Department of Foreign Affairs and Trade has sought to overcome these difficulties.
by undertaking regular briefings for business groups, including on the activities of other departments, in the course of travel by departmental officers to various cities in Australia.

Recommendation 9:
The Australia-India business organisations marshal their resources to develop a communications strategy between them to improve the understanding and efficiency of the efforts being made to increase trade and investment within India.

Response
Agreed.

Comment
The Department of Foreign Affairs and Trade’s consultations with a range of Australia-India business organisations have revealed support, in principle, for the Sub-Committee’s Recommendation. As a result, a tele-conference was organised by the Australia-India Business Council, aimed at assessing ways in which these organisations might work more closely to achieve the common goal of promoting the Australia-India business relationship. The participating organisations agreed they should work together, although each valued their autonomy and wished to remain a separate state-based entity, conducting a distinct program of activities for its members.

Organisations agreed to circulate information on their activities and encourage members of other organisations to participate in those activities where appropriate to do so. They also agreed to confer regularly, with the Presidents of organisations to meet annually. The Australia-India Business Council has adopted the practice of advising state-based organisations of its preparations for Australia-India Joint Business Council meetings.

The Australian Government maintains regular contact with, and provides information to, the range of Australia-India business organisations. Austrade, the Australia-India Council and the Australia-India Business Council jointly produce a newsletter for the Australian business community and institutions with an interest in India. The newsletter, “Australia-India Focus”, provides to the business community authoritative and comprehensive information on pertinent developments in the Australia-India commercial relationship.

Austrade also actively assists the Australia-India Business Council to arrange meetings for visiting delegations, and provides support for annual Joint Business Council meetings. Austrade regularly briefs the Australia-India Business Council, and other business groups, on activities and forthcoming events. Austrade, along with the Department of Communications, Information Technology and the Arts and the Department of Foreign Affairs and Trade, is currently active in establishing an information technology business network.

Recommendation 10:
The Australian Government should not consider abandoning the Private Sector Linkages Program but should expand the Program within its Official Development Assistance.

Response
Not Agreed.

Comment
The Private Sector Linkages Program (PSLP) was reviewed by AusAID in 2000, and has been discontinued. Consistent with the aid program’s private sector development strategy, the aid program will continue to support activities that provide an enabling environment for private sector development, and will retain the flexibility to respond to specific private sector initiatives as they arise.

Recommendation 11:
The Australian Government maintain and continue to strengthen its network of offices across India.

Response
Agreed.

Comment
Austrade is well placed in India, with five offices (New Delhi, Mumbai, Chennai, Calcutta and Bangalore). This is one of the most extensive networks maintained by Austrade anywhere in the world.

Austrade has strengthened the capacity of its offices in India with the appointment of additional Business Development Managers, and the development of a business plan which consolidates and co-ordinates the activities of these offices to ensure the organisation continues to offer its client a streamlined, India-wide service.

It is possible that India’s continued emergence, over time, as an attractive and growing market for Australian exporters and investors will lead to further expansion of Austrade’s network of offices in India, and its resource levels in current posts.

Recommendation 12:
Austrade include information on India in its Asia update on the Austrade World Direct Website.

Response
Not Agreed.
Comment
The Government does not agree with this recommendation. The Asia Update was designed explicitly to deal with the impact on the countries of East Asia of the East Asian crisis. Always intended to be temporary, and limited to the duration of the crisis, it has now been discontinued. Austrade has made readily available a wide range of other information on India, including electronic and web sources, on its web site.

In addition, a series of case studies, detailing the experiences of Australian companies in the Indian market, was released by Minister for Trade, the Hon Mark Vaile during his visit to India in October 2000. These case studies have been posted on the DFAT and Austrade web sites.

Recommendation 13:
The Australian Government convene an annual South Asia Conference of senior representatives of State Government trade promotion agencies to provide an update on trade developments and emerging export opportunities in the region and to identify options for closer Federal-State cooperation

Response
Agreed.

Comment
Austrade, over the period 1997-99, conducted the very successful LinkWest program, which has introduced commercial opportunities in South Asia to the Australian business community through a series of targeted seminars, regional workshops, and individual consultations. Austrade has actively involved state government trade promotion bodies in this process.

The Government believes that opportunities for exchanges and co-operation in Federal-State promotional activities should continue to be explored. While the India Contact Group forms one mechanism for such co-operation, states have not participated to the extent hoped. The Department of Foreign Affairs and Trade’s efforts to facilitate visits to South Asia by state-based delegations have been far more successful, as have the regular briefings offered to state government departments by Commonwealth officials.

Recommendation 14:
The Australian Government develop an ongoing communication campaign to promote Australia as a clever country in India.

Response
Agreed.

Comment
The Australian Government’s program to promote Australia as a clever country in India is pursued through a number of avenues.

The Australian High Commission in New Delhi has developed a public affairs/cultural relations strategy which includes among its primary objectives the reinforcement of Australia’s image as a reliable, technologically advanced commercial partner.

The public affairs strategy is an ongoing one, funded and supported by the public Affairs Division of the Department of Foreign Affairs and Trade. In addition to an annual allocation, $20,000 in 1999-2000, to fund public affairs activities in India, the High Commission regularly utilises a range of other departmental programs aimed at promoting Australia’s image in abroad, including the Overseas Media Visitors Program.

Since its inception in 1992, the Australia-India Council (AIC) has actively supported a wide range of projects and activities in India, aimed at promoting awareness of the high quality, sophistication and diversity of Australian products and services, including in the fields of environmental management, public health, and mining and energy.

The AIC sponsored a tour of India in December 1998 by a travelling exhibition, “Innovative Australians”, which showcased Australia’s capabilities as a supplier of innovative and sophisticated technology and expertise, in areas where Australian companies or individuals have made a unique impact. The exhibition was developed by the National Science and Technology Centre (NSTC) in conjunction with IDP Education Australia, with funding from the Department of Foreign Affairs and Trade.

Recommendation 15:
The Australian Government continue to press the Indian Government to remove its tariff and quantitative restriction barriers to trade and investment.

Response
Agreed.

Comment
The Australian Government has been active, in both bilateral and multilateral spheres, in encouraging India to remove quantitative restrictions to trade, and to lower existing tariff barriers.

India has maintained quantitative import restrictions for the past thirty years on a range of goods, including dairy products, processed food, horticultural items, clothes and machinery. The re-
restrictions often included import prohibitions, non-automatic licencing and special licencing.

As a result of pressure from its trading partners, including Australia, India offered, in May 1997, to phase out these restrictions on around 2,700 different products in three phases over six years. This offer was regarded by Australia (and others) as too slow, and in company with the EU, Japan, Canada and New Zealand, the Government initiated dispute settlement procedures in the WTO. Following bilateral consultations in the course of that process, the Australian and Indian Governments concluded a bilateral agreement for the early phase-out of India’s quantitative restrictions. At the time it was estimated that this agreement would boost Australian exports to India by at least A$30 million per year initially, and to offer the prospect of increasing exports to India by over A$200 million in the long term.

Since that agreement, a subsequent agreement between India and the United States has accelerated the timetable for the removal of India’s quantitative restrictions, whereby almost all restrictions will now be lifted by 2001.

As the Indian Government has removed quantitative restrictions, it has frequently sought refuge behind higher tariffs. The Government continues to raise concerns at the level of Indian tariffs across a range of products, while appreciating that progress towards securing reductions will be slow.

Bilaterally, Australia and India have traditionally used the Joint Ministerial Commission, which is co-chaired by Ministers, to address specific market access problems, including questions of tariff levels and the removal of quantitative restrictions. In addition, Australia uses opportunities afforded by Ministerial and senior official contacts to reinforce the mutual benefits accruing to India and Australia from any reduction of Indian tariffs.

Multilaterally, India has renegotiated tariff bindings on a range of products with interested parties in the WTO, under Article XXVIII of the GATT. Australia was among the few countries participating in those negotiations with whom India managed to secure agreement, thereby securing improved access for a range of products of interest to Australia.

**Recommendation 16:**

The Australian Government continue the work that is being done to provide the Indian Government and judiciary, and business with Australian expertise in administrative and legal practices.

**Response**

Agreed.

**Comment**

The Government supports this Recommendation. The Sub-Committee’s Report recognises the importance of the professional services sector in driving Australia’s international competitiveness, and notes that India is a key and emerging market for professional legal services. The Attorney-General’s Department considers that Australia’s continued involvement in this sphere has the potential to benefit Australian legal service providers and other exporters of goods and services.

Although foreign law firms have been permitted to open offices in India, very few are likely to do so without the resolution of a long-running lawsuit, brought by a group of Indian lawyers, against the first three foreign firms that established a commercial presence in India. Until the regulatory regime governing the practice of law by foreign lawyers is clarified and other constraints are resolved, access by Australian firms to the legal services market is likely to be limited. A number of Australian firms are active with local law firms in India in the provision of legal services that are required to facilitate trade and investment.

The Australian Government, through a range of projects, has sought to further promote links between Australia and India in the legal sector and to assist with the long term development of aspects of the Indian judicial and legal system.

The Australia-India Council (AIC), in collaboration with the International Legal Services Advisory Council (ILSAC) and with various Australian legal service bodies and educational institutions, has since 1996 developed and supported a number of bilateral activities in the field of law. These have included training in India in commercial dispute mediation practices, environmental law, legal education and the drafting of legal documents.

In addition, with AIC funding and support, ILSAC has arranged visits to Australia by the Attorney-General of India, Mr Soli Sorabjee, in May 2000 and by the Executive Director of the Indian Council of Arbitration, Mr G K Kwatra, in May 1997.

Consideration is currently being given to establishing an Australia-India Legal Forum, to promote bilateral links, in a more formal and systematic way, between judges, law practitioners, and legal service providers and educationalists.
Recommendation 17:
The Australian Government, as a matter of priority, reintroduce a mixed credit or soft loans facility as part of its strategy to strengthen Australia’s trade and investment performance.

Response
Noted.

Comment
The Government has no in-principle objection to aid being provided in the form of soft loans, but not at the expense of other high priority aid activities. A soft loans scheme would have significant funding implications. If consideration were to be given to a soft loan scheme, it would need to have as its objective the reduction of poverty and achievement of sustainable development.

Recommendation 18:
The Department of Immigration and Multicultural Affairs examine ways to provide timely visa issue to Indian nationals seeking to travel to Australia for business.

Response
Agreed.

Comment
DIMA has made significant progress in recent years to streamline entry arrangements for international business visitors. The short-stay business visitor visa allows genuine business visitors entry to Australia for up to three months, to enable them to pursue business interests and investment opportunities. In India, bona fide applicants can expect a visa to be issued within a few days.

A decision was taken recently to establish a dedicated business visa unit within the DIMA office at the Australian High Commission in New Delhi. This unit will manage and process the ever-growing number of applications for short-stay business visitor visas from Indian nationals. The unit will aim to provide an efficient service and timely decisions to all business visitor visa applicants.

There has been strong growth in recent years in the number of temporary visas granted to Indian nationals for employment in Australia, particularly in the information technology industry. During the last twelve months, processing times have improved significantly, and bona fide applicants can expect to be granted a visa within approximately two weeks.

Additionally, in response to the rapid growth in demand for business visas in western India in recent years, DIMA opened a dedicated visa office in the Australian Consulate-General in Mumbai in September 1999. Australian Immigration services in India are now provided by the DIMA office at the Australian High Commission in New Delhi, and the Australian Consulate-General in Mumbai.

Recommendation 19:
The Departments of Immigration and Multicultural Affairs and Employment, Education, Training and Youth Affairs further examine the links between business and educational entry to Australia.

Response
Agreed.

Comment
With the Prime Minister’s strong support, the Minister for Education, Training and Youth Affairs, the Hon Dr David Kemp MP, has established an Inter-departmental Committee (IDC) on International Education to focus on developing a whole-of-government approach to Australia’s involvement in international education. The IDC, convened and chaired by the Department of Education, Training and Youth Affairs (DETYA), is working to ensure that the Government’s objective of enhancing the export of Australian education services is achieved with maximum efficiency and effectiveness through the coordination of relevant activities across Commonwealth agencies.

Following a review of its resource deployment to support its international operations, DETYA is expanding its presence in India over the next three years to develop opportunities in this key market for Australian education exports.

In March 2000, the Government announced a number of changes to Australia’s Student Visa Program aimed at better targeting those markets which attract genuine overseas students. At the same time the Government intends to strengthen the action that can be taken against students who abuse their visa conditions. The key changes include the recent joint development, between DIMA and DETYA, of an electronic confirmation of enrolment system to improve the integrity of the recruitment of international students. Effective from 1 November 2000, all overseas students will be obliged to ensure that their education provider is advised of their current residential address and of any subsequent change of address.

As of 1 July 2001, the current single visa student class will be broken down into separate education sector visa classes. A student information packages will be developed to explain the new requirements. In addition, subject to being passed by Parliament, the visa cancellation processes for students who do not satisfy course requirements
will be streamlined, and the Minister for Immigration and Multicultural Affairs will be able to suspend the processing and grant of student visas to providers who appear to have a significant number of non-bona fide students. Amendments to legislation will also permit relevant information about students and providers to be shared between agencies with an interest in education services for overseas students.

In March 2000 the Government also agreed to extend the Pre-Qualified Institutions (PQI) program for the 2001 academic year. This follows the trialing of pilot programs in 1999 and 2000. The program for 2001 will cater to an expanded number of education providers and students. The PQI program is a co-operative arrangement between selected education providers and the Government to allow for the growth of the student visa market in certain non-gazetted countries, including India. Under the program, PQI providers are given streamlined visa processing. In return, providers commit to a range of obligations, including greater assessment of the bona fides of a student. The PQI program has been developed in close consultation with peak industry bodies in all sectors of Australia’s international education industry.

Additionally, as a result of changes to the points test category introduced on 1 July 1999, foreign students who have studied in Australia for one academic year and obtained an Australian post-secondary qualification at the Australian Qualifications Framework (AQF) level or above, can apply for migration without the need to demonstrate they have “skilled work experience”. To ensure their qualifications are current, applications for migration must be lodged within six months of completion of the course.

Further changes to the points test have also led to foreign students being able to obtain up to ten bonus points under the points test for an Australian qualification (in the case of PhD holders), with five points given to the holders of AQF diploma level qualifications and above.

Recommendation 20:
The Australian Government endorses actively support the adoption of international legal standards that combat child labour.

Response
Noted.

Comment
Australia has been an active participant in the work undertaken by the International Labour Organisation (ILO) on the development of a Convention concerning the Prohibition and Immediate
Property Organisation (WIPO), and a signatory to the Berne Convention and the TRIPs agreement. The Government recognises that copyright collecting societies (agencies which act as the interface between copyright owners and users of the relevant intellectual property) play an important role in the successful exploitation and protection of copyright and related rights. Accordingly, the Government would support a request from India to WIPO for technical assistance in establishing a collecting society for copyright rights. WIPO regularly provides training and technical assistance to member countries and is well placed to be able to respond to such a request from India. The Government would also consider a direct request from India for assistance in establishing a collecting society for reproduction rights, subject to the availability of funding under Australia’s aid program, and high priority involvement by the Indian Ministry of Industry. The Government would consult with Copyright Agency Limited in responding to such a request.

**Recommendation 22:**
The WTO Intellectual Property Obligations and Endorsement Unit, in the Trade Negotiations Division of the Department of Foreign Affairs and Trade, monitor developments in international intellectual fora in relation to India.

**Response**
Agreed.

**Comment**
Australia is an active participant in international property fora, and recognises that India has a significant voice in international developments in this field. Bilateral trade and investment will benefit from the common adherence to international intellectual property standards, particularly those contained in the WTO TRIPs agreement. India will have an important role in the creation of new intellectual property norms and in the review of TRIPs scheduled for this year. For each of these reasons, the WTO Intellectual Property Obligations and Enforcement Unit within the Department of Foreign Affairs and Trade will continue to follow closely the perspectives of India in international intellectual property fora, as well as related developments in intellectual property protection within India.

**Recommendation 23:**
The Australian Government ensure that Australia is engaged to the greatest possible extent in regional arrangements which provide preferential access to markets.

**Response**
Agreed.

**Comment**
The Australian Government recognises the nutritional value of pulses and the importance of including pulses in food aid programs, especially to South Asia. The Australian Government is actively pursuing greater market access for Australian companies in a number of South Asian markets. An essential part of developing further regional trade and economic integration is the establishment of regional arrangements. To this end, the Government has supported the development of regional arrangements such as the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC), which aims to develop increased trade and investment amongst its member countries in a manner consistent with WTO principles. Both Australia and India are members of IOR-ARC. One of the objectives established in the original Charter of IOR-ARC was to promote economic liberalisation, and to remove impediments to and lower barriers towards freer and greater flows of goods and services, investment and technology within the Indian Ocean region. Australia has actively and vigorously pursued the development of a trade policy dialogue within IOR-ARC, and has worked increasingly cooperatively with India in our efforts to do so.

**Recommendation 24:**
The Australian Government assist in bringing to the attention of international food aid authorities the nutritional value of pulses and the importance of including pulses in food aid programs especially to South Asia.

**Response**
Agreed.

**Comment**
The Australian Government recognises the nutritional value of pulses and the importance of including pulses in food aid programs. Prior to 1995, the FAC had focused solely on the provision of grains as food aid. While recognising the value of pulses, the international community generally accepts that grains such as wheat, sorghum, rice, corn and maize are the most appropriate food aid commodities since they comprise the staple foods of vulnerable groups in most developing countries. The major international food agency, the United Nations World Food Program (WFP), to which Australia is a significant contributor, takes particular account of the traditional dietary requirements of vulnerable populations in designing cost
effective food aid operations. WFP includes pulses in its food aid operations where it is considered appropriate.

It is also noteworthy in this context that many South Asian countries, including India, already produce and import pulses as part of commercial trade. Australia is a source of supply for such imports and has actively promoted Australian pulse exports to the region. The Australian pulse industry is looking to further expand its markets, including South Asia, and is well placed to continue increasing production.

Recommendation 25:
The Australian Government, in co-operation with the Indian Government undertake a feasibility study to evaluate supplying liquefied natural gas from Australia’s western gas fields.

Response
Agreed.

Comment
This Recommendation is consistent with the Government’s vision for a strong internationally competitive LNG industry, which is outlined in its LNG Action Agenda (LNGAA). This Action Agenda was developed in consultation with the Australian LNG industry and the Western Australian and Northern Territory Governments. The LNGAA aims to ensure that the Government’s policy framework supports an internationally competitive LNG industry and facilitates access to prospective markets, such as India. In line with the LNGAA, the establishment of LNG exports to India by Australian LNG companies is accorded a high priority by the Department of Industry, Science & Resources, the Department of Foreign Affairs and Trade and Austrade.

The Indian LNG market is considered to be highly prospective but requires infrastructure investment if its potential is to be realised. Australian LNG companies are active in the market and have signed a Heads of Agreement with the potential to supply LNG valued at up to $A1 billion per annum.

The potential for a strong LNG trade relationship sits comfortably with other steps taken to build energy trade between Australia and India. Through such fora as the Australia-India Joint Ministerial Commission and the India-Australia Joint Working Group on Energy and Minerals, the Government will continue to highlight that market access for Australian LNG is a priority for bilateral trade. One of the objectives of the Working Group is to identify factors that may impede the development of energy and resources trade and investment and to discuss strategies to eliminate such factors.

In the lead up to establishment of a viable LNG industry in India, excellent opportunities exist for sale of Australian condensate. DISR has brought this to the attention of local producers who also have LNG capability.

Recommendation 26:
The Australian Government continue to lend support to the efforts of the Australia-India Health Industry Network in its efforts to promote the export of Australian health services and products to India.

Response
Agreed.

Comment
The Department of Health and Aged Care has encouraged the health industry to widen its interaction with countries in Asia. To this end, the Australian Health Industry Forum was established in 1994 under the auspices of the Department of Industry Science and Resources and the Department of Health and Family Services, and supported by Austrade. The Forum has encouraged the Australian health industry to expand its export activities and to improve domestic capacity to reduce the import of health products.

A number of country working groups were established under Forum auspices, through which Australian companies, organisations and individuals have come together to network with a commercial objective and to focus on a particular country. One of the four country groups under the Forum focuses on India. The health and medical sector of India is large, and offers enormous potential to Australian exporters of health and medical goods and services. The health and medical sector has also been one of the Government’s Market Development Task Force priorities for India.

The Australia India Health Industry Network (AIHIN) has undertaken a number of visits to India to promote the Australian health industry. The Department of Health and Aged Care has been involved in, and supported, these visits, working closely with the AIHIN as a member and an adviser to its activities. The Department was similarly supportive of the visit of an Indian health delegation to Australia in 2000. The Australia-India Council provided funding support of A$40,000 to the AIHIA to assist with a visit to India in 1998, and to undertake a review of possible collaborative projects.

Austrade organised a South Asia Health Promotion, including a trade mission to India in June-
July 1998. In India the mission members participated in the Health and Medicare India trade show in Mumbai, made site visits and participated in individual and group appointments. Austrade continues to work closely with individual clients interested in pursuing opportunities in the Indian health sector, including some substantial private groups which are considering investment activity.

**Recommendation 27:**
The Australian Government make representations to the Indian Government to remove the restrictive practices which work against Australian films being shown in India.

**Response**
Noted.

**Comment**
The Australian Government does not intervene or regulate the distribution and exhibition of films. Nor does it restrict the import of foreign films and television product. The Government considers it inappropriate that Australian films receive such treatment from other countries, including India. Currently films are permitted to be imported into India only if they meet one of the following three criteria:

- The film should have been screened at any one of the international film festivals recognised by the Ministry of Commerce;
- The film should have been reviewed by one of a wide range of film journals recognised by the Ministry of Commerce, or
- The film should have won an award at one of the international film festivals recognised by the Ministry of Commerce.

In addition, foreign films need to obtain a “No Objection Certificate” from the Central Board of Film Certification, as well as the Film Censor Board. Finally, a Public Notice has to be obtained from the Ministry of Commerce. Evidence suggests, however, that there is considerable flexibility in the interpretation of these guidelines.

**Recommendation 28:**
The Australia-India Council examine the provision of financial support to the Australian Film Television and Radio School for a workshop to exchange educational and industry development information and expertise with the Film and Television Institute of India.

**Response**
Agreed.

**Comment**
The Government supports the promotion of greater understanding, co-operation and exchange of ideas between the Australian Film Television and Radio School and its Indian counterpart, which would generate benefits for both countries.

Pursuant to this Recommendation, the Australia-India Council has collaborated with the Australian Film Television and Radio School on curriculum development projects with the Film and Television Institute of India, which enabled the Institute to re-open film and television courses in 1999.

**Recommendation 29:**
The Department of Transport and Regional Development develop a watching brief on transport infrastructure opportunities in India and South Asia as part of the Australian Government’s efforts to build its bilateral relationship and improve trade with India.

**Response**
Agreed in part.

**Comment**
The Government supports this Recommendation in part. The Department of Foreign Affairs and Trade and Austrade monitor infrastructure developments in the region and co-operate closely with the Department of Transport and Regional Services on matters relating to transport infrastructure.

**Recommendation 30:**
The Australian Government, under its Supermarkets to Asia initiative, work towards developing a market profile of India for Australian agri-food exports.

**Response**
Agreed.

**Comment**
The Government is committed to making the Australian food sector a premier supplier to a wide range of Asian markets. The Supermarket to Asia Council, which brings together Government and key food sector business leaders, has adopted a three-pronged strategy to reduce the cost of doing business, improve access to Asian markets and upgrade Australia’s regional transport and communications infrastructure.

While concentrating initially on North Asia and South-East Asia, Supermarket to Asia’s focus now extends to include South Asia. The then-Deputy Prime Minister and Minister for Trade, the Hon Tim Fischer MP, launched the Supermarket to Asia profile on India in October 1998.

**Recommendation 31:**
The Australian Government build on its level of support for the IOR-ARC through a specific allocation of funds for research and develop-
ment on the trade and investment potential of the organisation.

Response
Agreed.

Comment
Australia’s participation in IOR-ARC has been strongly focused on developing the trade and investment potential of the organisation. Australia’s vision, as outlined by the Australian Minister for Trade at the inaugural meeting of IOR-ARC, was “to create an enabling environment for business”.

The Department of Foreign Affairs and Trade has previously supported the IOR-ARC process through the provision of funds to the Indian Ocean Centre. The Department is currently funding a study on Barriers to Trade in the region faced by Australian business. Future work is likely to be based on a competitive tendering process for individual projects.

The Department of Foreign Affairs and Trade also funded an IOR-ARC informal senior officials meeting in Perth in December 1998.

Recommendation 32:
The Australian Government assess the potential for reciprocal arrangements between bilateral organisations and academic institutions to promote a general level of cultural awareness between Australia and countries of the South Asian region.

Response
Agreed.

Comment
The Australian Government believes there is significant potential to develop programs between Australian and Indian institutions through a range of avenues to promote cultural awareness.

The Australian Government already provides a number of scholarships, through the International postgraduate research Scholarship Scheme (IPRS), to students from this region to obtain postgraduate qualifications and gain experience with leading Australian researchers. Of the 300 IPRS awards made by Australia in 1999, 15 were offered to Indian students/scholars and a further 8, 11, and 2 were offered to Sri Lankan, Bangladeshi, and Pakistani students/scholars respectively. DETYA will continue to explore other education initiatives that would enhance the level of cultural awareness between Australia and countries of South Asian regions.

Since its inception 1992, the Australia-India Council has supported a wide range of cultural and educational projects and activities between Australia and India, under its Visual and Performing Arts programs. These projects have been aimed at promoting mutual awareness and appreciation of the quality, diversity and sophistication of each country’s performing and visual arts. These projects have been undertaken in partnership with relevant bodies, including the Australia Council for the Arts and Asialink, and have in many cases fostered long-term links between cultural and academic institutions. In some cases, projects have been facilitated under the 1991 Memorandum of Understanding between Australia and India for the promotion of bilateral cultural exchanges, which is administered for the Indian Government by the Indian Council for Cultural Relations (ICCR).

Recommendation 33:
Austrade evaluate the possibility of arranging cultural briefings for Australian businesses in collaboration with existing Asian research centres within Australian universities as an adjunct to its LinkWest seminars for business.

Response
Agreed.

Comment
There is a clear need for regular communication between the Government and industry to raise the level of understanding in Australia about Indian culture and business practices. The Government actively encourages members of the business community to become sensitised to Indian cultures and values prior to embarking on travel or developing trade and investment ties in India. Austrade’s Market Profile on India provides details on business etiquette in India, and highlights some cultural issues of relevance to the business community.

In addition, the Department of Foreign Affairs and Trade has produced a kit, “Australia India Connections” which is aimed at providing the reader/listener with a sensitivity to Indian cultures, and to some extent, identifying easily avoided contacts, whether in official contacts, business or the broader social environment.

Where appropriate, relevant research centres will be invited to participate in future seminars on conducting business with India.

Recommendation 34:
The Australian Government provide sustained support for existing South Asia and Indian Ocean focused research centres by outsourcing research requirements to them in order to meet the Government’s objective to strengthen Australia’s trade and investment performance with India and South Asia.
Response
Agreed.

Comment
The Government, through a variety of agencies including the Department of Foreign Affairs and Trade, AusAID and the Australian Centre for International Agricultural Research (ACIAR), has regularly used Australian research centres with an Indian or South Asian focus as a means to strengthen Australia’s trade and investment performance. Papers on specific issues of interest to the development of Australia’s trade relationship with India have been commissioned by research centres with particular economic expertise, such as the papers on aspects of Indian economic reform commissioned by DFAT and AusAID from the Australia South Asia Research Centre at the ANU.

Research funding is currently available on a competitive basis to research centres and qualified researchers through the Australian Research Council. In addition, DETYA provides funding to universities for research, research infrastructure and research training.

The Government is concerned, however, that research centres in Australia not be solely dependent on the Government for its funding. In the future, research centres in Australia will need to pursue other funding options for their survival, marketing their expertise more widely with those interested in developing ties with South Asia.

EXECUTIVE SUMMARY

Adequacy of Air Services to the Indian Ocean Territories (IOTs).

The subsidised ‘safety net service’ between the IOTs and the Australian mainland will be continued as long as needed. The Government’s policy is for commercially based air services to be developed to support economic development in the IOTs, notably tourism.

Telecommunications to the External Territories. The Federal Government will continue to assist the External Territories to improve their telecommunications services by facilitating access to the Networking the Nation ‘Remote and Isolated Islands Fund’ and other elements of the Networking the Nation programme. Improved electronic service delivery capacity (particularly with relation to the Internet) is a priority. Means of service delivery such as ‘community telecentres’ are also being considered.

Broadcasting to the External Territories. The Australian Broadcasting Authority will review broadcast reception standards in the IOTs.

Telehealth. Consideration of telehealth projects would be undertaken in consultation with the Department of Health and Aged Care and other relevant agencies. Telehealth in the Indian Ocean Territories could be examined as part of the telecommunication studies funded through the Networking the Nation Programme.

Antarctic Territories. Improvements to telecommunications services to the Antarctic territories will be addressed in the context of the contract for telecommunications services to Australia’s Antarctic bases.
### Response to Recommendation 1

**NORFOLK ISLAND**  
Recommendation (1):  
The Committee recommends that:  
all letters be carried by air to and from Norfolk Island;  
Australia Post ensure that all Express Post articles are delivered by air to Norfolk Island;  
The Norfolk Island Government explore with Australia Post the possibility of reinstating an airmail service to cater for small packets and journals to and from Norfolk Island, and  
Australia Post not downgrade international air mail destined for Norfolk Island through the Sydney Exchange.  

**Response:**  
The new contract between Flight West and the Norfolk Island Government appears to be addressing the problems identified in the Island to Islands Report.  
Australia Post’s Express post service does not cover Australia’s island territories. While endeavouring to provide the fastest possible delivery in any given circumstances, Australia Post is unable to guarantee fast delivery of Express Post outside the Express Post network areas. The Norfolk Island Government and Australia Post need to deal with these issues within commercial realities.  
If necessary, and upon being requested by the Norfolk Island Government, the Minister for Regional Services, Territories and Local Government, in consultation with Minister for Communications, Information Technology and the Arts, could facilitate discussions between Norfolk Post and Australia Post, to ensure an optimum level of postal services to Norfolk Island.

### Response to Recommendation 2

**NORFOLK ISLAND**  
Recommendation (2):  
The Committee recommends that the Norfolk Island Government negotiate with the private courier services for an improved, reliable service, particularly for carrying urgent human pathology specimens to Sydney.  

**Response:**  
This is a matter for the Norfolk Island Government to pursue. If requested by that Government, the Minister for Regional Services, Territories and Local Government could facilitate negotiations to arrange courier services for urgent pathological specimens. Should such negotiations proceed with private courier services, reference should be made to meeting the requirements outlined in the National Pathology Accreditation Advisory Council’s 1998 information document entitled: Information on the Transport of Pathology Specimens.

### Response to Recommendation 3

**NORFOLK ISLAND**  
Recommendation (3):  
The Committee recommends that Australia Post negotiate with the Australian Customs Service for improved customs and quarantine clearances of medical articles coming from or destined for the Norfolk Island Hospital.  

**Response:**  
This is a matter for the Norfolk Island Government to pursue. If requested by that Government, the Minister for Regional Services, Territories and Local Government could facilitate liaison with Commonwealth Government agencies on the issue.

### Response to Recommendation 4

**NORFOLK ISLAND**  
Recommendation (4):  
The Committee recommends that the Minister for Communications, Information Technology and the Arts, after due consultation between the Australian Government and the Norfolk Island Government, clarify the role of the Australian Broadcasting Authority in relation to Norfolk Island.  

**Response:**  
This issue has been addressed. The Australian Broadcasting Authority has obtained advice from the Australian Government Solicitor’s Office, which confirms the Authority’s understanding that its responsibilities do not extend to Norfolk Island.
Response to Recommendation 5

NORFOLK ISLAND
Recommendation (5):
The Committee recommends that, in 1999, the twentieth year of its operation, the Government initiate a review of the Norfolk Island Act with particular reference to the anomalies that arise as a result of the Act as far as the citizens of Norfolk Island are concerned.

Response:
The Minister for Regional Services, Territories and Local Government will consult with the Norfolk Island Government about the process and timing for any review of the Norfolk Island Act 1979 and any subsequent telecommunications implications. The Government had initiated legislation to remove an anomaly where all Australian citizens resident on Norfolk Island were treated differently with regard to the electoral system but this reform was defeated in the Senate.

Response to Recommendation 6

CHRISTMAS ISLAND
Recommendation (6):
The Committee recommends that the Department of Transport and Regional Services and Australia Post guarantee that a minimum of one return airmail service per week be available.

Response:
This level of service is currently available. The situation will continue to be monitored by the Department of Transport and Regional Services.

Response to Recommendation 7

CHRISTMAS ISLAND
Recommendation (7):
The Committee recommends that Australia Post ensure that Express Post parcels are given the same standard of delivery as remote areas on the mainland.

Response:
Australia Post’s Express Post service does not extend to Australia’s rural and remote areas, or to Australia’s island territories. Outside the Express Post Network, Australia Post is unable to guarantee fast delivery but will endeavour to provide the fastest possible delivery in any given circumstance. Island residents might benefit from improved information on available services. The Department of Transport and Regional Services will correspond with Australia Post with a view to ensuring better information is available in the Indian Ocean Territories regarding Australia Post services and that the Island communities are informed of the quickest and most cost effective methods for mail delivery.

Response to Recommendation 8

CHRISTMAS ISLAND
Recommendation (8):
The Committee recommends that the Department of Communications, Information Technology and the Arts ensure that all External Territories have access to toll-free numbers, call-centre operator services and other such regular, on-line, mainland business services.

Response:
Commercial decisions of call centre operators and toll free service providers determine the geographic extent of their service offerings. However Government agencies will take action to ensure that Government information services, where appropriate, are available in the territories.

Response to Recommendation 9

COCOS (KEELING) ISLANDS
Recommendation (9):
The Committee recommends that the Department of Communications, Information Technology and the Arts negotiate with Telstra and appropriate banks in order to develop electronic banking/EFTPOS facilities on the Island.

Response:
The Department of Transport and Regional Services will continue to assist the community to apply for funding under the Rural Transaction Centre (RTC) Programme. The Cocos Community has so far received $10,000 business planning assistance under the RTC Programme, and is expected to be considered for project assistance by the end of 2000.
Response to Recommendation 10

**COCOS (KEELING) ISLANDS**

Recommendation (10):
The Committee recommends that the Government assess the best option for providing better Internet connections to Cocos (Keeling) Islands.

Response:
The Networking the Nation Board approved funding of $80,000 for the Cocos (Keeling) Islands Administration to undertake an audit of existing telecommunications infrastructure, assess telecommunications needs and the feasibility of proposed projects, and develop an action plan for projects as appropriate.
The Cocos community Dot.CC Limited is seeking to improve Internet service delivery using resources realised from the sale of .cc Internet domain registrations.
There are relationships between this recommendation and Recommendations 17, 20 and 22, which also need to be considered.

Response to Recommendation 11

**THE AUSTRALIAN ANTARCTIC TERRITORIES**

Recommendation (11):
The Committee recommends that Telstra and OPTUS investigate the feasibility of providing dynamic allocation of bandwidth between voice and data services via satellite to allow a significant increase in Internet speed and response times to the Australian Antarctic Territories.

Response:
Since the Committee reported, the Australian Antarctic Division (AAD) has addressed many of the issues raised in this recommendation, and has introduced dynamic bandwidth allocation on the AAD’s private network leading to increased Internet speed and response times to the Australian Antarctic Territory. Commercial discussions between AAD and Telstra, seeking to combine the public and private circuits into one large data circuit to offer further substantial increases in network speed, have occurred, but at this stage agreement has not been reached. AAD intends to pursue further discussions with Telstra.

Response to Recommendation 12

**THE AUSTRALIAN ANTARCTIC TERRITORIES**

Recommendation (12):
The Committee recommends that any additional bandwidth for Internet and on-line services be made available at reasonable rates that will allow for cost-effective continuation of the science programmes in the Antarctic Territories.

Response:
General matters arising from the National Bandwidth Inquiry, released on 4 April 2000, could require consideration in relation to this issue.

Response to Recommendation 13

**THE AUSTRALIAN ANTARCTIC TERRITORIES**

Recommendation (13):
The Committee recommends that the Department of Transport and Regional Services establish a task force of the relevant departments and agencies to investigate the feasibility of providing facilities such as phone banking, free call facilities and operator access to the Antarctic stations.

Response:
Actions such as a task force to address this recommendation more properly need to be addressed by the AAD in conjunction with relevant agencies.
### Response to Recommendation 14

**THE AUSTRALIAN ANTARCTIC TERRITORIES**  
Recommendation (14):  
The Committee recommends that the Australian Antarctic Division facilitate the provision of Internet equipment and training to all expeditioners to provide for wider information dissemination and exchange of news and media material. (6.15)  

**Response:**  
AAD will continue its present training and equipment provision programme.

### Response to Recommendation 15

**THE AUSTRALIAN ANTARCTIC TERRITORIES**  
Recommendation (15):  
The Committee recommends that, mindful of current service inconsistencies, the Department of Communications, Information Technology and the Arts review the matter of the extension of the Universal Service Obligation (USO) to the Australian Antarctic Territories, and the Government give consideration to including the Antarctic Territories within the USO so that call rates might be set at STD rates. (6.19)  

**Response:**  
The Universal Service Obligation (USO) requires the universal service provider (currently Telstra) to ensure that standard telephone services and payphones are reasonably accessible to all people in Australia on an equitable basis, wherever they reside or carry on business. Whilst Macquarie Island is a part of the State of Tasmania and therefore a part of Australia for this purpose, the USO does not extend to the Australian Antarctic Territory (AAT). The USO does not regulate charges for calls made using the network. Thus the USO does not control IDD/STD rates from Macquarie Island. The extension of the USO to the AAT would not affect call charges.  
The Australian Antarctic Division is planning improvements to links to and from the Territory (see Recommendation 11).

### Response to Recommendation 16

**SUMMARY ISSUES**  
Recommendation (16):  
The Committee recommends that the new contract, to be negotiated in 1999, for airline services to the Indian Ocean Territories accommodate the freight, postal and tourism needs of the Territories by providing a sufficient increase in the capacity over the present arrangements.  

**Response:**  
Increases in air services should be achieved through expansion of commercial services rather than subsidised ‘safety net’ services. The Government will encourage commercial development while ensuring an efficient ‘safety net’ service is maintained as long as needed. The Request for Tender issued in March 2000 encouraged providers to demonstrate their plans for expanding services in the Indian Ocean Territories to facilitate economic development through, for example, increased tourism.  
Commercial developments in the Indian Ocean Territories are likely to place increased emphasis on links to Asia and South East Asia. Means of developing tourism and other economic activities need also to be considered. Programmes such as those administered by the Department of Industry, Science and Resources could assist with tourism development including air access to the Islands.

### Response to Recommendation 17

**SUMMARY ISSUES**  
Recommendation (17):  
The Committee recommends that  
(a) the Commonwealth Government ensure  

**Response:**  
The Government has established a ‘Remote and Isolated Islands Fund’ under Networking the Nation. The digital data service obligation will provide
that funds under the Regional Telecommunications Infrastructure Fund scheme be made available to the External Territories; and/or
(b) the USO be expanded to include a digital data capacity service for the External Territories of 64kbps.

64kbps data capacity to those parts of Australia covered by the universal service obligation.

### Response to Recommendation 18

**SUMMARY ISSUES**
Recommendation (18):
The Committee recommends that the Australian Broadcasting Authority review the quality of broadcast services in the Indian Ocean Territories in mid 1999 after the transition to digital satellites is completed. The purpose is to determine whether alternative arrangements need to be made to ensure continuous quality broadcasts into both of the Territories.

**Response:**
The Australian Broadcasting Authority has included the review in its current work programme.

### Response to Recommendation 19

**SUMMARY ISSUES**
Recommendation (19):
The Committee recommends that, by November 1999, the Australian Communications Authority report on the progress of the Telstra upgrade of telecommunications facilities on the Indian Ocean Territories with particular reference to telecommunications service accessibility, quality, reliability and cost.

**Response:**
The Australian Communications Authority (ACA) will include information on the provision of telecommunications services on the Indian Ocean Territories in its annual report to the Minister under Section 105 of the Telecommunications Act 1997. Funding from Networking the Nation and the sale of Internet domain names will assist the Indian Ocean Territories to ensure the continuation of mobile phone services after the closure of Telstra's existing analogue network in September 2000. The Minister for Communications, Information Technology, and the Arts established the Telecommunications Service Inquiry on 19 March 2000 to have an independent assessment of the adequacy of telecommunications services in metropolitan, regional, rural and remote Australia. The Inquiry has reported its findings to the Government.

### Response to Recommendation 20

**SUMMARY ISSUES**
Recommendation (20):
The Committee recommends that the Department of Communications, Information Technology and the Arts develop appropriate standards for satellite bandwidth capacity which is available to people in the External Territories, so that these communities can reliably access quality broadcast and Internet services.

**Response:**
Bandwidth is only one issue involved in the question of provision of quality broadcast and Internet services. The development of standards for bandwidth is an industry issue and it would be inappropriate for the Department of Communications, Information Technology and the Arts to be centrally involved in such a process. The report of the National Bandwidth Inquiry, released on 4 April 2000, addresses the adequacy and pricing of the infrastructure of the Australian communications network, including issues relating to remote areas. Accessing quality Internet services in the Indian Ocean Territories is an issue that could be addressed in the Christmas Island Telecommunications Feasibility Study and the Cocos (Keeling) Islands Telecommunications Strategy, which were successful in attracting a total of $114,000 from Networking the
On the Cocos (Keeling) Islands, a major Internet upgrade will increase the available bandwidth from 64K to 448K. It will then be capable of delivering video conferencing etc.

**Response to Recommendation 21**

**SUMMARY ISSUES**

Recommendation (21): The Committee recommends that the Department of Communications, Information Technology and the Arts, the Department of Transport and Regional Services and the Department of Health and Aged Care jointly develop plans and a timetable for the phased introduction of tele-medicine and tele-conferencing into the External Territories, through the provision of suitable infrastructure, equipment and training.

**Response:**

The National Office for the Information Economy assesses the basic technology of telehealth is now well proven, but application of telehealth is still in development. The Department of Health and Aged Care might be in a position to provide guidance in relation to exploratory telehealth projects in the External Territories. Teleconferencing and in particular videoconferencing is dependent on adequate, affordable bandwidth to and from the external territories. In the Indian Ocean Territories, telehealth and tele-conferencing were considered as part of the telecommunications studies that received funding from the Networking the Nation Programme.

**Response to Recommendation 22**

**SUMMARY ISSUES**

Recommendation (22): The Committee recommends that the Department of Transport and Regional Services assess the possibility of assisting the Island communities in the establishment of community tele-centres in order to provide cost effective access to the Internet.

**Response:**

Telecentres were considered as part of the telecommunications studies that received funding from the Networking the Nation Programme. This issue needs to be considered in conjunction with matters arising from recommendations 10, 17 and 20 (amongst others).

**Response to Recommendation 23**

**SUMMARY ISSUES**

Recommendation (23): The Committee endorses the Government’s decision to include the provision of an Internet data line capacity of at least 64kbps as part of the Universal Service Obligation to the External Territories.

**Response:**

Details of the digital data service obligation have been announced by the Minister for Communications, Information Technology and the Arts.

1. For the purposes of this response the Australian Antarctic Territories (AAT) is used informally to refer to the Australian Antarctic Territory, the Territory of Heard and McDonald Islands, Macquarie Island and bases maintained there by the Australian Antarctic Division. Note that Macquarie Island is part of the State of Tasmania and not a Commonwealth Territory.

A reference to Australia in relation to the Universal Service Regime (Part 2 of the Telecommunications (Consumer Protection and Service Standards) Act 1999) includes a reference to the Territory of Christmas Island; and the Territory of Cocos (Keeling) Islands; and an external Territory specified in the regulations.

**Community Affairs Legislation Committee**

**Membership**

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

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

CUSTOMS TARIFF AMENDMENT BILL (No. 4) 2000
First Reading
Bill received from the House of Representatives.
Motion (by Senator Ellison) agreed to:
That this bill may proceed without formalities and be now read a first time.
Bill read a first time.

SECOND READING
Senator ELLISON (Western Australia—Minister for Justice and Customs) (3.41 p.m.)—I move:
That this bill be now read a second time.
I seek leave to have the second reading speech incorporated in Hansard.
The DEPUTY PRESIDENT—Is leave granted?
Senator Robert Ray—No.
The DEPUTY PRESIDENT—Leave is not granted.
Senator ELLISON—I table the second reading speech.
Debate (on motion by Senator O’Brien) 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.
(Quorum formed)
Senator ROBERT RAY (Victoria) (3.44 p.m.)—Today we are very appropriately talking about petrol. It is quite clear that the increasing price of petrol has meant that Senator Bishop has not been able to proceed to this chamber with the sort of speed that we would normally require. One wonders what fuel he is on. I am apprised of the fact that Senator Bishop is just starting to sort his speech out. I have not had an indication from him yet as to just how long it is going to take him to be ready.

Senator Mark Bishop—Five minutes.

Senator ROBERT RAY—He is saying five minutes, but I have to assure him that I doubt my excellent contribution will go that long. These are very appropriate bills. We debated them at the first general business session a couple of weeks ago. There was no indication of support, only an indication of opposition from the coalition parties. What a difference a couple of opinion polls and a couple of state elections make. They are now on board for doing something about petrol prices. They spent weeks rubbing the Labor Party for calling for some sort of relief on petrol prices. They trotted out all the old excuses: ‘It is world prices.’ Everyone knows that at least 1 1/2c was due to the GST and that the oil companies could not generate the savings to pass on immediately.

We also knew that the GST would cause an inflationary spike that would eventually push up the price of petrol because of excise. At any stage the government could have discounted that price. We have shown on the record that on eight occasions the Labor Party discounted indexation on petrol. Of course it can be done. But do you know what the greatest double standard today was? Senator Hill was proud of the fact that they are going to repeal Labor legislation. What heroes they are! Where was he for the last five years? When did they discover there was indexation put on petrol? They have been in power five years, yet suddenly they discover, ‘The past horrible Labor government indexed excise on petrol.’ They have had five budgets to move on this, but they were happy to collect the revenue.

Not only did they collect the revenue; they did not discount the GST enough, so they got more. They did not discount for the hike in inflation that came about through the GST. Then their excuse was, ‘We’re going to allocate any extra money to roads.’ I have not heard anything about that today or about what is going to happen there. The fact is that we are seeing a government in panic mode. Often, governments in panic mode do a whole range of stupid things and a couple of sensible things, but all we have seen with this
government is backflip after backflip. We were assured at the estimates committee that there was nothing wrong with the BAS form, but suddenly it is being revised.

This is the government that spent $647,000 on freeway signs that said ‘Tax reform coming soon’. What a great contribution to intellectual debate in Australia that was! Why not spend that $647,000 on designing a simple BAS form? But we were assured that it was very simple—that it was actually only a couple of pages. They did not actually go on and say that you had to read 100 to 200 pages of explanation to fill it out. So we have seen the backflip on that.

We have seen the backflip on trusts. The circumstances were these: they brought in a business tax package, they came to the Labor Party to negotiate it, we sat down in good faith and we ticked off on it. But the things they wanted, they took. They made a commitment on trusts and then they ratted on it. Anyone who thinks that it has just been put off for 12 months is mad. They never intend to tax these trusts properly and control them properly. The reason they do not scrap the package today is that they have the revenue in the forward estimates. They are going to blow $900 million in the next financial year because they put it off, but are they going to take the $900 million off the next three out years? Not on your nelly. They are going to use that to overinflate the fiscal outlook so that they can get away with it and through the next election without looking like they are going into deficit.

The third big backflip is on petrol. You wonder if they have any pride. They can get up and spout the lines, like they did in question time today, but they/pkg do tax these trusts properly and control them properly. The reason they do not scrap the package today is that they have the revenue in the forward estimates. They are going to blow $900 million in the next financial year because they put it off, but are they going to take the $900 million off the next three out years? Not on your nelly. They are going to use that to overinflate the fiscal outlook so that they can get away with it and through the next election without looking like they are going into deficit.

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the Excise Tariff Amendment (Petrol Tax Cut) Bill 2001 and the Customs Tariff Amendment (Petrol Tax Cut) Bill 2001—presented by Senator Cook on behalf of the opposition.

It is always appropriate at the beginning of a contribution to a debate to put what is to be said in context. The context in which this petrol cut, announced today by the Prime Minister, must be looked at is the significant losses that the coalition parties have faced over the last two or three weeks in Western Australia and Queensland, and the impending rout that will occur in the Ryan by-election in Queensland in the next three or four weeks. It is that context that is putting fear into the hearts of the coalition government. It is that context that is causing them not to be able to give proper, sound and lengthy consideration to policy. It is that context that is now causing them to panic and to make instant decisions involving hundreds of millions of dollars. That is the context we should be looking at in this debate on these bills before the chamber today.

By way of introduction, it does not really need to be said in any great detail that the decision of the government today has been to adopt, to accept and to put into place all of the elements that the opposition has brought to public attention repeatedly for the last six months on this issue of petrol pricing. The four elements addressed by the Prime Minister in his press conference and press statement, and discussed today by Senator Hill in question time, are the matters that the opposition has been putting out in the public domain for discussion and has been asking the government to commit to for at least the last four to six months. Indeed, in the last fortnight in the House of Representatives the matter has twice gone for debate and resolution. On each of those occasions, the government parties in the House of Representatives voted against the proposal that the Prime Minister announced today.

What we are talking about today is a total reversal of the policy of this government for the last three years—a total run-around, a total backflip. The government announced a key decision to reduce petrol prices by 1½c. That is fine. That is something we have been seeking for some months, because the imposition of that 1½c—that double taxation measure that directly flows from the GST—has been an unfair and inequitable tax imposed upon the Australian people and has resulted in a huge windfall gain to the government, which has been attempting to put those funds aside and to use them to pork-barrel in future months as we come up to the October or November election.

That raises the question of exactly how much additional revenue has been taken from consumers and business people all around this country by this government since the extra excise came into being following the introduction of the new taxation system, the GST. There has been clear advice from various state treasuries over the last three or four months that the amount of money that is being consumed by this government is to the tune of an extra $1½ billion per annum. The sum of $1½ billion per annum is being sucked out of the pockets of ordinary mums and dads. It is being sucked out of the cash flow of businesses, large and small, across this nation. That is one of the critical reasons why there is a reduction in business confidence and a reduction in levels of activity out there in the community. It is because ordinary funds that would have gone to the ordinary uses of people in the community are being taken—stolen and put away—by this government.

The problem we have is that the state treasuries, which do the modelling and tell us the amount of money involved in this, say it is $1.5 billion or to that order every year, but this government has taken the money—received it and banked it—and has refused to disclose the quantum in any discussion in any debate or in any Senate estimates queries. The government has been repeatedly asked by the Senate Economics Legislation Committee and the Finance and Public Administration Legislation Committee: what is the quantum of extra revenue gained by the Commonwealth government due to the double taxation involved in excise and the GST? Every time the responsible minister has been asked that question, he has refused to answer. He says, ‘I don’t know,’ or, ‘It’s not appropriate to discuss,’ or ‘The figures aren’t in,’ or
‘You’re not entitled to know,’ or ‘It’s a work in progress.’ The excuses and the reasons come out time and time again, but the Australian people are not told how much is being ripped out of their pockets. Australian businesses are not told how much is being taken out of their cash flow—they simply have to send a cheque every time they go to the bowser, and the petrol stations remit the money. That is a grossly unfair situation.

In the context of the Ryan by-election, the losses in Western Australia and Queensland, the improper use of that windfall and the continuing failure to disclose the total quantum to the Australian people, a pattern of government behaviour is starting to emerge. That pattern can be summed up in one word: backflip. In the last few weeks, every core, critical matter that goes to the heart of government, that goes to the heart and soul and policies that this government believe in, has been rejected, has been jettisoned. Look at the matters that have been rejected. They have rejected the BAS, they have rejected trust reform and they have now reduced petrol prices. The only critical matter their polling is telling them that has not yet been rejected is the future privatisation of Telstra, and that is coming now. Last week we asked Senator Alston when they were going to fully privatise Telstra. The answer was, ‘We’re thinking about it but there is no commitment. We’ll wait and see when services are improved in the bush.’ What does that mean? That is code for: ‘We’re not going to privatisate Telstra’. Two weeks ago in the House of Representatives the Deputy Prime Minister, Mr Anderson, was asked an identical question: ‘What are your plans concerning the full privatisation of Telstra?’ He again dodged the issue; he again refused to commit.

So the four critical elements that the government have gone back on are: business activity statements are being reformed; trusts have been put off for 12 months, and are unlikely to ever come back on again; petrol prices have been reduced; and Telstra is on the agenda. This leads to the inevitable question: what does this mob stand for? These are the heart and soul issues that they say is their vision for this country, that allow them to be the government and that allow them to show leadership. Taxation, deregulation and privatisation of Commonwealth assets—they say these are the issues that make them different from us. On every one of these issues they have gone back on their word and, woe betide us, they will go back on their word in relation to Telstra.

So that leads to the question: what is regional and rural Australia really seeking? What is the government’s polling telling them? It is telling them that all of the issues they have had to address need to be addressed if they want any chance at all of surviving the next six months. Having gone back on those critical elements—an allegedly new, simpler BAS form, putting off trust reform for at least 12 months, reducing the excise quantum on petrol and really trying to find a way not to proceed with the sale of the other 51 per cent of Telstra—one needs to ask the question: where does that leave the agreement reached between the majority parties, the Liberal and National parties, and their friends down there, the Australian Democrats. Where does that leave the Howard-Lees GST deal? That deal between the major government parties and the Australian Democrats is resulting in the policy paralysis, the policy failures, the policy backflips, the chaos and the lack of organisation that are occurring in this government today.

So what is the status of that agreement between those two parties? One critical element of the Howard-Lees GST was that petrol prices would go up. The agreement was that you take off the wholesale price, you put on the GST at 10 per cent and you whack on the excise as well. The government fell for the old trick in those negotiations. The Democrats said, ‘Put up petrol prices. That is an efficiency argument; that’ll lead to a more rational use of motor vehicles and trucks by consumers and that’ll lead to less pollution in the air.’ The government accepted that in those negotiations and brought it into the deal. But what has happened now is that every part of the deal that the government and the Australian Democrats negotiated—all of the core elements—is no longer in existence. And who is left holding the bag? Our
friends at the other end of the chamber, the Australian Democrats.

One of the interesting matters that was not addressed in the Prime Minister’s statement, in the four parts of his announcement—and I haven’t seen any press reports yet—is what will be the impact of the 1½c per litre reduction in fuel excise? Does that also apply to diesel and LPG? One of the critical matters raised when Senator Cook’s committee of inquiry into petrol prices toured around Australia was the huge growth, the virtual doubling, in the price of LPG, and that was a problem all through the north of Western Australia—in fact, it is a problem for all of Western Australia north of the Kalgoorlie goldfields—and I am told it was a critical problem in other parts of Australia as well. To my knowledge, this package does not advise what is going to happen to LPG. Similarly, I am not aware of any comment on diesel, so perhaps government senators will be able to address that in due course.

The problem we have in this debate on the matters in the bill is that, if the government had not made their decision and the bill had been passed, petrol prices would have been reduced by 1½c. That begs the question: does that really satisfy the dissatisfaction that is manifest in every part of this country outside of the capital cities? The matter I refer to is the city-country divide in petrol prices. It was a critical element in the Western Australian election and one of the reasons why the swing in the seat of Bunbury was so close. In Perth, for example, you have the refinery in Kwinana, and petrol prices on a given day are something in the order of 85c, 87c or 88c a litre. If you go 100 kilometres down the road to Bunbury, the margin is an extra 13c, 15c and 17c per litre. And if you go up to the goldfields, the margin is an extra 13c, 15c, 17c and up to 21c per litre. These are the differences in fuel prices paid in the bush compared with the quantum paid for fuel prices in the city.

That is one of the critical elements forcing the divide. It is having a clear impact on the conservative side of politics and causing large numbers of people in rural, regional and country Australia, particularly rural and regional Western Australia, to leave their homes and to vote for other parties. Again, the announcement today by the Prime Minister does not address the issue of the divide in city and rural prices.

Senator McGauran—And Senator Cook’s bill does?

Senator MARK BISHOP—Senator Cook’s bill may or may not. The issue here is: what are you going to do about the constant differential in prices between city and country areas?

Senator McGauran—No, it is Cookie’s bill.

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—It is Senator Cook, please, Senator McGauran.

Senator MARK BISHOP—Senator Cook has achieved his purpose. The opposition has achieved its purpose: the differential in excise has been reduced. The government has come to our point of view after six months, but it has not addressed the critical issue of the difference between city and rural areas.

So one goes right back to the beginning and asks: what is driving this policy change, this series of backflips we have had for the last three weeks? The answer is clear and is known to every person in this chamber. The strong election results and the huge swings that occurred in Western Australia and Queensland—and some of the swings that might yet occur in the federal seat of Ryan—have put this government on notice. Over the Christmas break, for whatever reason, the Australian community made a decision. It made a decision that the administration of this country for the last five years has not been what it should be, it has become second rate and the government is out of touch and is not listening. It made that quite clear two Saturdays ago in Western Australia and one Saturday ago in Queensland, and there will probably be the same result in Ryan—and it has resulted in this policy analysis and this panic.

The Prime Minister announced his decision today to abolish the differential and the excise, to reduce the price of fuel by 1½c a litre. We are told that something in the order of $560 million is going to be given back to
consumers by the government of this country. But the real problem we have is that there is going to be only a partial payback. Only some of the money that has been taken through the double tax on fuel will come back to Australian consumers and Australian businesses. State treasuries, as I said earlier, have repeatedly said that the extra quantum that is being gained by the government through the higher fuel prices is in the order of $1.5 billion per year. The government wanted to hold that money and use it to pork-barrel, to sweeten and to make electioneering commitments in the lead-up to this year’s election in October or November. But the government has been caught out.

Government ministers have been asked repeatedly in a range of forums in this place how much extra the government is receiving from consumers and businesses around Australia. Each government minister who has been asked that question has repeatedly refused to give any comment or any advice. They have not disclosed how much the extra amount is. The truth of the matter is that, from the Prime Minister’s announcement today, we are getting back something in the order of $560 million for the next 12 months, but the government is still sucking out an extra $1 billion on top of that. The government is still pulling out an extra $1 billion. We are entitled to know the quantum of extra taxation being received by the government and when that full amount is going to be returned.

That refusal to disclose, that refusal to be accountable, that refusal to be honest in government, is entirely consistent with every major policy decision this government has made over the last three or four weeks. Think about the three of them in total. There was mild panic when caucus resumed, and the net result was that the BAS was withdrawn—small businesses only have to pay every 12 months, not every three months—and the form was redrafted. The form should never have been there in the first place. The government fell for the con by the Australian Taxation Office and Treasury: they wanted the information for other purposes. So the government backflipped on that and got rid of the BAS. Then in the last 48 hours the government backflipped on trusts. The issue of trusts was going to be an integral part of the deal between Mr Howard and Ms Lees from the Democrats to raise extra revenue.

Senator Knowles—Senator Lees, to you.

The ACTING DEPUTY PRESIDENT—It is Senator Lees, please, Senator Bishop.

Senator MARK BISHOP—Senator Lees—thank you, Mr Acting Deputy President. So that has gone by the by as well; the issue of trusts has been put off for 12 months. We have discussed the third issue at length—the fall-back on petrol. As I said earlier in my discussion, there is really only one major policy issue to be addressed by this government when the Liberal and National parties effectively become the Australian Labor Party—that is, when they say, ‘We’re not going to go on with the other 51 per cent privatisation of Telstra. That is off the agenda.’ Let us not kid ourselves that some time in the next six months there will be a brief committee of inquiry that will find that services in the bush are not adequate or sufficient and that the necessary certificate cannot be issued, and the government is going to say, ‘If we are re-elected.’

Senator KNOWLES (Western Australia) (4.13 p.m.)—Isn’t the Labor Party in a frenzy today. Their beloved indexation is going to be scrapped and they do not know what to do. But wouldn’t you think they would have actually found out what today’s announcement was all about? We have just had a tirade from Senator Bishop, but he does not even know whether it includes diesel and he asks whether excise is going to be taken off LPG. It is just absolutely fascinating. Diesel was included. There is no excise on LPG. Poor, old Senator Bishop does not even know that. It is just absolutely breathtaking. This is the way in which they want to run the country. This is their beloved excise that they put in place in 1983 and increased 23 times in the duration of their 13 years in government—and they do not want it scrapped. Right up to this very point, Mr Beazley has been out there bleating, but at no stage has he ever said, ‘We are going to scrap excise’—never, not once.
So what are the Labor Party on about? It is just breathtaking to think that their policy on petrol was, and still is, that there will be no change to the GST on petrol, no change to excise on petrol, no change to indexation of excise on petrol and no change to February’s indexation on petrol. That is the Labor Party policy. We need to look at that policy in connection with this absolute rubbish piece of legislation put up by the opposition, because there is absolutely nothing in it that directs anybody toward Labor Party policy. Is it any wonder that everyone believes that the Labor Party are policy lazy? They are policy lazy. There is not one section of policy.

The last indexation—which is Labor’s excise not the coalition’s: we did not bring it in; Labor did in their first year of government in 1983—was a combined effect of the CPI for the September and December quarters and it equalled four per cent. This amounted to an adjustment of excise on unleaded petrol of about 1½c per litre. We should look at how that compares to the Labor record. Out of Labor’s 23 increases in excise through indexation, seven were equal to or greater than four per cent. Mr Acting Deputy President, you will have to forgive me for saying that this whole debate is exceedingly hypocritical when the opposition’s track record demonstrates that they have done something quite contrary to what Mr Beazley and the rest of the rabble out there are trying to say, because they do not have a policy.

The interesting part about today’s announcement—which I suppose I should make quite clear at this point in the debate because the previous two opposition speakers have not referred to it—is that the Prime Minister announced that excise will be cut by 1½c per litre as of midnight tonight. For Senator Bishop’s understanding—because he obviously has not heard—that also applies to diesel, and there is no excise on LPG. So 20 minutes ago he did not understand all that and here he is debating it. This will result in the reduction of the price of petrol and demonstrates, I believe, that we have listened to the concerns of the community.

The abolition of Labor’s automatic half-yearly indexation of fuel excise is the other part of the announcement. The ACCC has been given special powers to monitor the compliance of fuel companies in passing on the 1½c per litre to customers. The differences between city and country prices will also be monitored and there will be an examination of whether or not a cap can be placed on price fluctuation. Senator Bishop made no mention of that. He said, ‘There is no mention in the Prime Minister’s statement of the city-country differential.’ Wrong: there is. Why didn’t Senator Bishop refer to it? More particularly, why didn’t Senator Bishop read the statement before he came in and debated this silly piece of legislation? The statement today also announced that an inquiry will be established to address the issue of fuel taxation in Australia.

These changes recognise that something has had to be done to address what is a very significant issue to many Australians, while at the time remaining economically responsible. Labor has never considered this. The coalition has made a point of running a budget surplus and reducing the debt incurred by the Labor Party. Yet it is the Labor Party that has been running around saying, ‘What are you going to do about petrol? We are not going to tell you what we are going to do about petrol, but what are you going to do about petrol?’ This government has had to do a lot since it came into office in 1996 to turn around the $10 billion, $11 billion or $12 billion deficit that was left to us, thanks to Mr Beazley, and that Senator Cook, who is notoriously now known as ‘Cook the books’, said did not exist. And we are now having to do more and more of the Labor Party’s work.

Another thing is that the price exploitation provisions of the Trade Practices Act give the Australian Competition and Consumer Commission sweeping powers to monitor prices, to demand information from businesses in relation to price setting and to name and shame businesses that engage in price exploitation. All the Labor Party should be saying to that is, ‘Hip, hip, hooray and about time!’ No. What are they saying? ‘Grizzle, grizzle, grizzle—why have you done that?’ This is what the people out there want. I was at the fuel station the other day and as I moved the car from one position to another, because the bowser where I had originally
pulled up was out of use, the price of fuel actually dropped 4c in that time. Okay, I was lucky. But that just demonstrates how quickly the price of fuel can fluctuate. We all know that you can drive past a fuel station on a Wednesday—

Senator Mark Bishop—I thought Mr Court’s bill made it that in 24 hours it could be changed only once, not during the day.

Senator KNOWLES—I am not saying what time of day it was or when it was. I am saying that recently—

Senator Mark Bishop—When was it?

Senator KNOWLES—It was before Mr Court’s bill.

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—You should ignore Senator Bishop, Senator Knowles, and direct your speech to the chair. Senator Bishop, you should cease interjecting.

Senator KNOWLES—Thank you, Mr Acting Deputy President. I will not ignore the comment, because it needs to be clarified. Senator Bishop was once again silly enough to interject that the then Premier’s bill made it impossible for them to fluctuate the prices during the day. Well, guess what? This was before Mr Court’s bill was passed. Therefore, the then state Liberal government actually did something about it. But the opposition did not want to know about it; and it is the same with this lazy opposition—they do not want to know about it. But it is interesting because we still know that here, for example, and in all the other places that you can pass from day to day, prices will inevitably go up at the weekend. So one does not buy fuel, if at all possible, from Friday to Sunday night, because the prices fluctuate. But why cannot the Labor Party come clean on what they would do? Will they maintain this abolition of excise? Or will they, on return to government—if that ever happens—ever put it up again? And will they just continue to jack it up, as they did? One can only suspect from their past track record that that will be the case.

Another key initiative of today’s announcement is that the price exploitation provisions contained in part VB of the TPA provide for fines of up to $10 million for companies and $500,000 for individuals who engage in price exploitation. It is very interesting because, once again, it was never the Labor Party who said, ‘Maybe we should be looking at all of this and making sure that there is no price exploitation; maybe we should be giving the ACCC some teeth to be able to monitor these prices.’ Oh no, no, no! They would not want to do that—because this is their beloved excise that they are talking about.

Equally, I suppose it is well worth noting that the state governments could actually come to the party and sacrifice some of their taxes if they were really, really dinkum about dropping fuel taxes. If they were really dinkum about wanting to drop fuel prices, the states could say, ‘Okay; we’ll sacrifice a couple of our cents of tax, too.’ But now we have nearly all Labor states, do you reckon we will have that, Mr Acting Deputy President Lightfoot? I hardly think so. Oh no: big taxing, big spending Labor governments are hardly likely to give the poor old motorist a couple of cents a litre back out of the state taxes.

We also have to remember that one of the other fallacies that are promoted by the Labor Party consistently and continually is about the amount of money that the federal government is getting from the GST, and the fact that there was a price spike. That is just blatantly dishonest. It is nothing more than dishonest. They know that the price spike was taken out. They know that, if the price exploitation still goes on, that is not so. But they simply keep on saying it. Yet they were the ones who opposed everything. Let me give you a little list, Mr Acting Deputy President, of some of the things that they opposed.

Senator McGauran—we haven’t got time.

Senator KNOWLES—Senator McGauran, isn’t that the truth? I have not got the time to list all of them. They opposed the original fuel cuts that we proposed in the introduction—

Senator Boswell—The 24c a litre.

Senator KNOWLES—Yes, they opposed that 24c a litre. They opposed the 24c a litre
cut when the government introduced the new tax system. They opposed efforts by the coalition to keep the price of fuel down. Without the measures introduced by us, I might add, many motorists would be worse off than they are now. For instance, it is worth noting that farm owners and other small business owners would be paying an extra 10 per cent on diesel and that of course it would be about 24c per litre more expensive for heavy vehicles. And we cannot forget that it was the Labor Party who opposed those measures.

Senator Bishop opposed those measures. Senator Bishop comes from a big state: my state, Western Australia; and your state, Mr Acting Deputy President. Yet he voted to stop a fuel decrease of 24c per litre on heavy vehicles. Isn’t that appalling? He should hang his head in shame for not supporting that reduction. But Labor, as I say, has just increased excise over and over again. I might add that their increases in excise have been over and above the rate of inflation. If I were a Labor Party member I would not be wanting to come into this chamber and debate this issue, because the track record is so bad I would be saying, ‘I think I am sick; I think I will go home; no, I am not able to participate in this debate.’ To think that the Labor Party increased it above CPI. It is a bit like the lies that we were told this week on pensions. Isn’t it interesting?

It is interesting, because a 450 per cent increase over 13 years is pretty substantial with no compensation; yet we cannot get an answer out of them. It is a policy lazy opposition, after how many years is it now—five years in opposition? Five years, I think, tomorrow: five years in opposition, with not one single policy. People could ask, ‘What’s their policy on petrol?’ We do not know. That is the one we are debating today. But equally we do not know what their policy is on health, education, small business, telecommunications—we do not know their policy on anything. Here we are, with an important subject like this today, and there is not one single solitary alternative put before us.

We also need to put this in context. I have talked about the rises in excise that the Labor Party brought in over their 13 years in government constituting a 450 per cent increase, but it is interesting to know what that 450 per cent increase raised. I was staggered when I saw this figure. It raised for the Labor Party, the Labor government, $3.7 million per day for the 13 years they were in office—$3.7 million per day. Once again, that should be a source of embarrassment to them. But it is a source of pride, because they are a high-taxing, high-spending government. They do not worry about that. It just seems as though the cap fits: ‘We know we’re high taxing, we know we’re high spending, so it doesn’t matter that we slug the motorist $3.7 million
a day in fuel excise.’ Quite clearly, this legislation says nothing and does nothing. This legislation is even more redundant today, if that is possible, than it was three weeks ago when we were last debating it. It is just absolutely ridiculous.

Senator McGauran—How lazy can you get?

Senator KNOWLES—That is a very good point, Senator McGauran: how lazy can you get?

Senator Crossin—Here’s your chance to pass the legislation.

Senator West—Yes.

Senator KNOWLES—‘Here’s your chance to pass the legislation.’ That is one of the best interjections we have heard today. Why would you want to pass legislation—this is breathtaking, isn’t it—that is actually offering nothing but, more importantly, does not offer anything that the government has done today? This legislation does not offer to reduce excise by 1.5c. This legislation does not offer to cut out excise by the February indexation; it does not do it. Why would you want to vote for this legislation? It is just ridiculous. But here we are; that is the level of debate. That is the level of intellect we have: ‘Why don’t you vote for the legislation?’ Fair dinkum! We have to get to a stage where this opposition actually understands the problem and understands what is on offer. No wonder this opposition voted against a 24c a litre cut for heavy vehicle fuel usage, when they say, ‘Why don’t you vote for the legislation?’—legislation that does nothing. Really, it is just getting beyond a joke. This mob are even worse than one thought five years ago. As time goes on, you realise that they just dig themselves in further and further and they entrench themselves in times of the past—the high-taxing times of the past.

Senator West interjecting—

Senator KNOWLES—I will be watching very closely, Senator West, to see whether you can justify the high-taxing times of your past government. (Time expired)

Senator MURRAY (Western Australia) (4.33 p.m.)—With the Prime Minister’s announcement today, I was not certain whether the Labor Party would proceed to continue to debate these bills in general business today; but I think it is worth while, given the nature of that announcement today. To a certain extent, the Excise Tariff Amendment (Petrol Tax Cut) Bill 2001 and the Customs Tariff Amendment (Petrol Tax Cut) Bill 2001 have now become irrelevant, but I do want to use my time to make a few general comments on the petrol industry, excise and environmental opportunities.

The Democrats believe that there are better ways of assisting the public with the rising cost of fuel than simply eliminating the February excise indexation, as Senator Cook proposes. The Prime Minister has today made an announcement in relation to petrol excise. Unfortunately, I have not many details available on what the government is proposing, except that it involves a 1½c per litre reduction in excise, which finally meets the promise that was given, an inquiry into fuel taxation and the abolition of the half-yearly indexation of petrol excise. I shall comment later on the excise issue in that announcement.

Both the government and the Labor opposition are presently so focused on the narrow issue of the rate of petrol excise that they are not seeing the broader picture. By failing to address other issues in the petroleum industry—some of which would impact on the price of fuel and some of which may not—they are failing to address those problems which exist with the industry itself. I would like to canvass a couple of those other issues, and I will begin by talking about the petroleum industry.

The petroleum industry in total—exploration, production and manufacturing; wholesaling and retailing—is an industry where there are major barriers to entry and exit. Barriers to entry range from the extraordinary investment and expertise required at the exploration, production and manufacturing end to the planning difficulties surrounding retail siting. Barriers to exit particularly apply at the retail end, where franchise contracts and a shrinking service station sector can often make a profitable exit difficult. It is an industry which has always been characterised by the dominance of the transnational majors, who have always striven to maintain their
captaincy of every level of the supply chain to the customer. Consequently, the petroleum industry has not seen the emergence of strong countervailing contenders for captaincy of, for instance, the wholesale channel or the retail channel.

It is the Australian Democrats’ view that the industry exhibits fatal flaws which materially affect investment, profitability, pricing and competition. The issues for the petroleum industry are vertical and horizontal integration, open access to terminals and protection of the rights of individual operators. The correct mix of regulation of each of these areas should result in increased competition and profitability and better pricing practices. It would also result in a beneficial end to the absolute market dominance of the oil majors in the wholesale and retail sectors. The Democrats believe that, specifically, the issue of open access to oil company terminals needs to be addressed so that, from one day to the next, service station operators can shop around for the best wholesale price for the fuel that they are buying. Of course, part of the problem is that those operating franchise petrol stations are obliged to buy 100 per cent from their franchisor. We believe that that needs to be opened up and, indeed, the Senate Economics References Committee is inquiring into that very issue at present.

What has been missing a little from the debate, although I have heard some talkback radio commentators discussing it, is the extraordinary situation whereby the prices of fuels go up and down throughout a week. There is no other retail sector subject to that, and it is an indication of great manipulation of this industry by the majors concerned. The government’s most recent proposed reforms involved the repeal of what had become known as the sites act. That repeal would allow oil companies to directly own and operate more sites and has attached to it a very real risk of increasing vertical integration, as the refiner and the wholesaler of petrol also becomes the controller of the retailing of the product. On no analysis of the industry can the Democrats support the repeal of a bill where it has that possible consequence, because it would permit a scenario which is diametrically opposed to the one which we believe should be being perpetuated. The Democrats advocate a separating of refining, wholesaling and retailing, so that those separations into the different horizontal tiers of the industry would allow real competition at each level and real pressure to maximise efficiencies. The mix of regulation I referred to needs to attend to the needs of each of those horizontal levels of the industry. It appears, unfortunately, that since it became clear to the government in September 1999 that it was not going to get its petrol reforms through the Senate it has simply washed its hands of attempting any structural changes to the industry. The oil code has been dropped and the repeal of the franchise act has been forgotten. The government’s inaction on structural and competitive reform in that industry for the 18 months since is very disappointing.

Another part of the big picture that the government is not seeing at the moment because of its fix on petrol prices is the potential benefit of alternative fuels and the potential ultimate cost savings to Australians if the use of those fuels is proliferated and increased. The government’s national greenhouse strategy says that efficient transport and sustainable urban planning is a major priority and that the government seeks to promote an integrated best practice approach to transport. Notwithstanding that, the only transport related moves have all come from the tax reform package as a result of Democrat initiatives—fuel emission standards increases, gas conversion increases, alternative fuel grants increases, and the removal of excise for rail.

My colleague Senator Allison made some very important comments in an urgency debate on 6 February this year. I will reiterate a few of those comments. The government needs to use its fleet buying power to encourage manufacturers to produce vehicles which, for example, run on compressed natural gas or which are hybrid powered cars. The purchase and subsequent resale of these vehicles would provide Australia with a considerable fleet of vehicles running on half as much fuel and at a lower price. State, federal and local governments change over around 90,000 fleet cars every year. If these were converted to
CNG there would be an annual fuel saving to taxpayers of $80 million. If governments pooled this enormous buying power to persuade Holden or Toyota or Ford or Mitsubishi to put hybrid petro-electric technology onto their production line, the rest of the population would be also given the choice to buy cars which run on much less fuel. If you think of it in simple terms, is it better to continue to drive petrol vehicles with the price of fuel 1½c per litre cheaper, or is better to drive vehicles of comparable power that simply use less fuel? This is an area in which the government does have the power to take direct action at very little cost to the Commonwealth.

The problem at present, of course, is that petrol prices are high relative to what Australians will accept. The government has consistently made the point that they are not high relative to the price in many other foreign countries. But from an Australian’s perspective that is irrelevant, because they are concerned about what the price means to them. There is no magic in all that. In addition to my electorate car which comes with my package, I have a personal family car which I regularly refuel. Consequently I am very aware of the price of fuel. I am pleased that the Court government, as one of its last acts, introduced a means whereby there are regular reports on the price of fuel around Perth, where I live. The extraordinary thing is the astonishing variance in the fuel price, and the way it goes up and down within the course of a week. Frankly, that practice is one that really does need proper examination. The idea that retailers are price determined by the majors in advance of their actual pricing is contrary to every other retailing practice that exists.

I personally do not think that the public will be overenthusiastic about getting a 1½c per litre reduction. I am sure that they will be grateful, but it is a relatively small percentage, as we all realise. It will help. No-one will knock it back, but the annual saving for an individual is not such that a very significant difference could be noticed. If we were talking 10c or 20c per litre there would be much more interest, but such a reduction would come at a tremendous cost to the Commonwealth, and everyone recognises that the Commonwealth cannot accept that burden. What the Commonwealth does need to be doing is proliferating the use of cars which use less fuel and particularly less petroleum based products. Even ignoring the environmental benefits, I expect the Australian public will be much more appreciative of a government that increases the use and production of vehicles that simply use substantially less fuel than a government that reduces the price of petrol by 1½c per litre and which takes off the midyear indexation.

Turning now to the issue of the excise rate: the government has promised to reduce the excise by 1½c per litre, and the Democrats are very pleased with that announcement. The government promised that the price of fuel would not rise on the introduction of the goods and services tax. The 1½c excise reduction will mean that their promise has been kept. But of course the price of fuel has now risen for other reasons. You will recall that the GST caused an increase in the price of petrol of 8.2c per litre; the government only reduced the excise rate by 6.7c per litre and claimed there would be a saving of 1½c per litre to oil companies as a result of tax reform. That saving was disputed, and motorists did not see 1½c per litre coming off the price of fuel from the oil majors.

As for the abolition of the indexation of excise, we are concerned about the revenue and environmental effects of that decision. However, I have always held the personal view that indexation is an inflationary act in itself, and in regard to areas such as bracket creep with regard to income tax, the eventual effects can be very unfair. There is a strong school of thought that still believes that any increase in taxation should not be automatic and should be justified to the people as a whole. However, I recognise that that view is not a popular or widely held one, so I just mention it for it to be noted. There are revenue effects from this. In the short term, the revenue effects will not be that substantial, but in the longer term the absence of augmentation of recurrent funding will affect expenditure in other areas. It is what economists call ‘opportunity cost’. If you reduce prices in one area, it means you have not got
money to spend in another area, such as roads, hospitals and education.

The government is proposing an inquiry into petrol taxation. We say: why wasn’t the idea of abolishing indexation made a term of reference of that inquiry? That would have allowed the government and the parliament to know the potential revenue effects of that course of action and whether the abolishment of indexation should be looked at with regard to other areas. As we know, indexation applies to cigarettes, alcohol and many other areas. On the issue of the inquiry, the government is again taking too narrow a focus. The inquiry needs to be extended to address transport and energy policy. Issues that should be addressed include reducing Australia’s reliance on greenhouse gas producing fuels, public transport and rail and road infrastructure. This country still is far too obsessed with spending money on roads and far too little obsessed with spending money on rail.

In summary, the Democrats believe that both the government and the Labor Party need to look beyond the narrow issue of fuel pricing. Senator Cook did advise me that he is going to be bringing down a report in March. I urge him to take note of the views I have expressed this afternoon, and I hope he will consider some of these issues in his report. The government and the Labor Party need to look at the wider issue of structural reform in the petroleum industry and the wider issue of alternative fuels. Both of those topics have the potential to bring much lower fuel costs to motorists than any excise reduction.

Senator WEST (New South Wales) (4.47 p.m.)—Today is rather a momentous day in politics. If this government were really serious about getting started on their reforms, they would not be filibustering on the Excise Tariff Amendment (Petrol Tax Cut) Bill 2001 and the Customs Tariff Amendment (Petrol Tax Cut) Bill 2001. They would not have done it last time either; they would have been in touch with the community enough to know that this is an issue that is really hurting. If they were serious, they would be trotting in here with amendments to our legislation, and we could have these bills completed through the second reading stage, committee stage and third reading stage by 6 o’clock tonight for them to be in the House of Representatives first thing Monday morning. But this government are not serious.

There is a by-election in Ryan coming up in two or three weeks time. After the messages that were so very clearly and eloquently sent by the electorates in Western Australia and Queensland in those two weekends of elections, the government have suddenly decided that they are obviously in big trouble. I wonder what their polling is showing. It must be fascinating for them to be actually—

Senator Crossin—Change the fuel stuff, it is saying.

Senator WEST—That is right. They must be really hurting, considering there are more Queensland members of the Liberal Party here in Canberra than there are in the Queensland parliament. I think that gives us some indication. I would like to state very clearly what Simon Crean said today in his interview on World at Noon. He said, ‘We support the announcement that he’s made today. Our proposal has always been a two staged one.’ That very clearly lays our position on the line. We have been saying for months and months and months that this is an issue of major concern.

Obviously, it is now an issue of major concern in the cities, and our city colleagues are beginning to feel it and hear it. Those of us who have lived outside the city areas for all of our lives and who work out there know what the problems are like. We know that in Orange and Bathurst today fuel prices are probably 102.9c or 103.9c a litre. We are very much aware of these huge prices that we are paying. One of my staffers from my electorate office was down this week, and this morning he filled up at the BP in Kingston where petrol was 95c a litre. We checked with the electorate office before I came in here, and petrol was 103c a litre there. So there is an 8c difference. He is feeling quite pleased with himself that he was able to fill up at the cheaper price.
But what does that mean for us in terms of the excise and the GST? Also hidden in the Prime Minister’s little announcement and hidden in the GST is the fact that the GST is a percentage of the final price. So my staffer who filled up his car here paid about 8½c a litre for the GST component; back home, he would have paid over 9c. It does not matter if you take 1.5c a litre off that; there is still going to be about a 5c difference. So those of us who live in the country areas are always going to be paying more tax on our petrol because of this government’s GST. So you can take 1½c a litre off it, but in the rural areas we are still going to pay more.

There has been talk about the reduction in the price of petrol, and very quietly we have realised that this fuel reduction will affect diesel. I hope that the first thing the ACCC do when they commence their inquiry is look at the price of diesel and what has happened with that. The escalation in the price of diesel over last couple of years has been astronomical. I have a pensioner who lives in the Hargraves district, a remote area out from Mudgee in the electorate of the Deputy Prime Minister of this country. He is paying more than $20 a week to keep his home lights burning—he uses a diesel generator for his TV, his lights, his refrigerator and his washing machine. And when he is on a fortnightly disability pension of $340 a fortnight that is a huge slug.

Senator McGauran—Haven’t you heard of the diesel tax rebate?

Senator WEST—Senator, obviously you do not understand the rise in price of diesel irrespective of your wonderful rebates. It has still gone up.

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—Senator, you should try to direct your remarks through me. Try to ignore Senator McGauran’s remarks.

Senator WEST—I know I should ignore Senator McGauran. He just does not understand that, even though they have done a pea and thimble trick with excise reductions for diesel, the price of diesel, when you actually go and purchase it and you pay cold hard cash for it, has increased substantially. That pensioner is now paying $20 a week more than he was paying before the government started all these shenanigans. He has to drive 120 kilometres to Mudgee to get his fuel so he has the additional cost of the petrol when he goes to buy his diesel.

Senator McGauran—There must be some standing order on truth.

Senator WEST—I find that remark of Senator McGauran’s offensive, Mr Acting Deputy President.

The ACTING DEPUTY PRESIDENT—If Senator West finds that offensive, Senator McGauran, I would ask you to withdraw that remark.

Senator McGauran—I withdraw that remark.

Senator WEST—The gentleman does not find it funny. He is finding it difficult to survive. When he moved there a number of years ago he bought a 40 hectare property and it cost him $72,000. To get electricity installed it was going to cost him $80,000 and he did not have that sort of money. He could not afford it.

Senator Boswell—When did he move?

Senator WEST—It was a while ago. But he could not afford it. Senator Boswell is being even more disorderly than Senator McGauran. He is not even in his seat when he is interjecting and he has been here longer than I have and he knows that these interjections are disorderly.

So a generator was this gentleman’s option and that has supplied all of his needs ever since. But he is now finding it a huge burden on his pension, particularly with prices that keep rising. What does he do? Does he not have a generator? Then what does he do to power his television, his lights, his refrigerator and his washing machine? I have lived with kerosene lights and with a kerosene refrigerator and I have stoked up the copper, but we are talking about somebody who is now getting elderly. These are the sorts of the impacts that this government’s policies have had on people. Only now is this government suddenly realising that there is a problem. Why, when we have raised these issues before, hasn’t it been a problem? Obviously there was not a by-election in Ryan coming up and there had not been two state elections...
during the previous two weeks that kicked the pants of the government so hard in the various state constituencies that they will not sit down for a fortnight. Maybe they will not sit down for the whole three-year period—in Queensland the Liberal Party does not even have party status in the parliament because their numbers are so low. We thought we had done badly up there many years ago when we got to a cricket team size, but it is not good.

I also have a company that runs medium-size trucks, all eligible for the on-road fuel diesel grant. They are now paying around $11,000 a month for fuel, or $1.03 a litre. The rebate reduces the bill to about $9,000, but it is still several thousand dollars more than when the scheme was announced and the company was paying around 70 cents a litre. The company has been forced to increase its charges by $5 a tonne, or 14.2 per cent, to try to counter the diesel fuel increases. These are the sorts of impacts that this government has caused. We also know that the cost of the last harvest was quite significantly higher for farmers. Even with the rebate the price rose quite markedly.

If you read the last Sunday’s *Sunday Telegraph* you would have seen that Newspoll did some polling in the Deputy Prime Minister’s electorate—very interesting reading it made. There were four vignettes from four different constituents: one had been a Labor voter and was going to continue to be, the rest were not sure what they were going to be but it certainly did not appear that they were going to be conservative voters. One was a midwife who did not live in Mudgee but outside Mudgee. She had had to stop working as a midwife because they could not afford the cost of her running the car into work. We have a fairly critical shortage of registered nurses, and particularly of midwives, in the country area and this government’s additional impost on fuel have caused this to happen. That is of major concern. It is not uncommon in rural areas for people to live in one community and work in another—live in Bathurst, work in Orange; live in Bathurst, work in Lithgow; live in Lithgow, work in Bathurst—and in those communities they are finding that they are using about two tanks of petrol a week. That becomes quite a significant amount and an impost on their budget, especially if they are low income people. We know that petrol has risen because of world price rises. But the icing on the top of all this has been that on 1 February there was an increase of another 1.5 cents a litre excise. The GST keeps accumulating all the time and we pay more of that particular tax in rural areas because our petrol is more expensive than it is for people who live in the city. So we in the rural areas are being punished. But it does not appear to worry this government.

They have done a backflip today. They have been pretty impressive with their rate of backflips in the last fortnight or so. You would have to say it was a 360 with pike with a 3.3 degree of difficulty, and I suspect that in the eyes of their constituency it has been nothing more than a bellyflop—and I suspect a very painful one at that.

*Senator McGauran*—It is called listening.

*Senator WEST*—Listening? Why have I just been quoting from press releases that I put out in September last year? Why do I have an editorial here from December last year? This is a very slow government if they are listening. They react only when something hits the number of bodies they can put on green or red leather on the right-hand side of the presiding officers in parliament. That is what the situation is.

The government have done backflips that would leave an Olympic diver on the 10-metre board at the Olympics breathless. We have seen the backflip on trusts. We have seen the backflip on BAS. Now there is the backflip on petrol. I wonder when they are going to do the backflip on Telstra. That is the other issue that is really burning and hurting out there and damaging you. All those who, three or four years ago, supported you on the sale of Telstra have now done a good 180-degree turn and are running so far in the opposite direction it is not funny. They think you have lost touch. The government have abandoned the Democrats and the deal that they had with them on the GST, which was to have a higher tax. The Democrats thought it would make people more efficient
in their use of fuel or find alternative methods.

But people’s use of fuel in some areas is not an option, short of walking or getting the horse or pushbike out—but there are plenty of areas in this country where that is not an option. My colleague Senator Crossin comes from the Northern Territory. People here are saying that it would be a very good idea if we tightened it up and made people look at alternatives. Can you please tell me how you are going to get from some of those small communities into Alice Springs?

Senator Crossin—Fuel in the Tiwi Islands is $1.60.

Senator WEST—Fuel in the Tiwi Islands is $1.60 a litre. They are already being discouraged from moving around very much, but how are you going to get from Katherine to Darwin? How you going to get from those small communities into Katherine? We do not have those options. Senator Murray was talking about alternatives, but that is not a realistic option or opportunity for those of us who live in some of these remote areas, so it is really important that the government take this pretty seriously. It is a problem that has to be addressed.

Last year the opposition identified this problem and wanted to hold an all-party inquiry—we did not care whether it was joint house or Senate only. What happened? We got beaten on the floor of this chamber. We went and held our own inquiry. We went and listened. Senator McGauran talked about listening before. We went and seriously listened to people in remote and rural areas of this country. That is why, in January this year, as an interim measure the finding of the committee report was that we should not pass on the 1.5c a litre excise increase—a figure which we anticipated—that was going to be passed on on 1 February. What happened? We got lampooned, we got pooh-poohed and we got pilloried by the government high, wide and handsome because it was just not possible. The government have been in power for five years, and they have only now decided to act on the issue. They really are coming very slowly to the point, and they are not comprehending the point.

I am concerned about what they are doing, because petrol prices are increasing. Fuel is going up all the time and, as I said, it is a precious drop. The government did not seem to twig to that until today. If the government were serious, we would not have had Senator McGauran interjecting on me from across the road and we would not have had Senator Boswell in here interjecting; we would have had Senator Hill in here with amendments to our bill to tidy it up, tighten it up and do some of things they want to do. It could have been through this chamber and over to the House of Representatives as soon as possible on Monday. But what is happening? Nothing. The government are trotting out their members. They are making them speak, and I presume we are going to speak this out. I do not think the government are particularly serious. I really do not think they are serious. I have concerns that this is really not doing anything to address the inherent imbalance that now exists in taxation on petrol—or on anything for that matter—particularly on fuels in rural areas. People in rural areas pay more.

I look forward to the ACCC doing an inquiry, and I hope they will look at the vertical integration of the industry. I hope they will also be able to come out and explain why, a week or so ago, petrol was more expensive in Bathurst than it was in Orange. Bathurst is actually closer to the capital cities and the refineries than Orange is. From 12 February to 15 February, it was 101.5c in Bathurst. In Orange, it was 100.5c. There had been a positive price movement in Bathurst of 7.6c. In Orange, it had been 4.3c. If the ACCC can actually explain why some of this is happening, I think they will have done a very good job. They might also like to think about why, a few years ago, petrol was cheaper in White Cliffs than it was in Broken Hill. Somebody is playing ducks and drakes somewhere, and I hope the ACCC can get to the bottom of this. It will be very important for people in rural areas. This is a major issue, but the government have done nothing for LPG. There is no excise on LPG to be removed, Senator Knowles was able to inform us. Perhaps they might like to explain what is going on, why there has been a huge price rise in LPG and what they are going to do about that, because that will have an impact upon fuel costs, par-
particularly in terms of public transport like taxis. Most taxis run on LPG. There goes the price of transport up again.

This is a major issue. If the government were serious, I would not even have to speak. My whip would come and tap me on the shoulder and say: ‘Sit down. You don’t have to speak. The government have the amendments they want to move to this, they are going to accept our legislation with amendments and, therefore, the problem will be solved.’ They are not doing that. I suspect we will have to wait a long time to see some of this and I suspect the details of it are a bit obscure. We do not know how much the government have creamed off as a result of the GST. I suspect they can afford to give this back only because of that huge increase.

(Time expired)

Senator CHAPMAN (South Australia) (5.07 p.m.)—Senator West has addressed this chamber now for about 20 minutes—she did use the full 20 minutes—and all we heard about these bills of the Labor Party’s, the Excise Tariff Amendment (Petrol Tax Cut) Bill 2001 and the Customs Tariff Amendment (Petrol Tax Cut) Bill 2001, introduced by Senator Cook, was at the very beginning and at the very end when she said that the government should come in and amend the legislation. Senator West, it is no coincidence that those were the only references you made to the bills, because these bills are quite irrelevant, absolutely flawed and beyond amendment in terms of meeting the intentions in the announcements the government made today. This legislation and the legislation the government will introduce to give effect to the announcements made today are like chalk and cheese.

Senator West talked about the effect of the GST on country petrol prices. Of course, she completely ignored the fact that a lot of travel by country people is undertaken for business purposes. Therefore, a substantial amount of the GST which they pay on fuel is refunded because of that business use. She also talked about the increase in diesel prices. She completely ignored the fact that we have taken 23c a litre off the cost of diesel for road transport purposes and for many other purposes, including on-farm use. Diesel remains completely free of any excise. Senator West also completely ignored the reason why the price of diesel has increased: firstly, the price of crude oil on the international market has increased and therefore, as with petrol, the price of diesel has increased; and, secondly, within the Asia-Pacific region there is a substantial shortage of supply of diesel because of the demand for diesel in Asia, in particular, as a result of its economic recovery following the slump of a couple of years ago. Therefore, in relative terms, compared with petrol, the price of diesel has risen because of that shortage of supply.

We know that, when it comes to the crunch, Labor’s concern for rural people is mere rhetoric. We know that, when they were in government, it was the rural people more than any who suffered from their economic mismanagement. Rural people suffered under 13 years of Labor as a consequence of high inflation, high interest rates, the cost-price squeeze, Labour’s tax and spend policy and bracket creep, and so many more of the policies that Labor pursued in government were specifically detrimental to rural people. So it ill behoves them to come in here and behave as though, in relation to fuel issues, they are the saviours of rural people.

The real problem for the Labor Party is that their policy and the legislation that we are debating this afternoon have been left completely exposed by the Prime Minister’s announcement today. The government have announced a reduction in excise of 1.5c per litre. The recent February automatic indexation increase that was applied at the beginning of the month has been abandoned. Even more significant than that is the fact that the automatic indexation of excise has been abandoned. This was the policy introduced by the Labor government under Prime Minister Hawke way back in 1983. It was not ever a Liberal government policy. No previous Liberal-National government ever introduced the automatic indexation of excise, because we consistently believe in transparency and accountability. Therefore, if governments are to increase taxes then taxes ought to be legislated. It was the Labor Party that initiated the automatic indexation of excise on fuel, and that has been abolished as of
today. These bills are quite redundant because all they seek to do is limit indexation increases. We have gone much further by removing them. We have provided a solution to the problem; all the Labor Party offer is a bandaid approach.

There are four essential elements to the announcement made by the Prime Minister today. The first of those is the reduction of 1.5c per litre in excise. The second is the fact that the automatic indexation of fuel excise has been abandoned. Thirdly, we are providing additional powers to the Australian Competition and Consumer Commission to increase their surveillance of fuel prices to ensure that this reduction in fuel excise is passed on directly to the Australian people, to the consumers. The fourth arm of this is the announcement of an inquiry into the structure of fuel taxation. That will be a very detailed assessment of fuel taxation issues to be undertaken with broad community representation.

This decision is significant in revenue terms. It is estimated to cost some $555 million in terms of lost revenue to the budget. But, clearly, given the healthy economic position in which this country currently finds itself as a direct result of the reforms initiated by this government over its five years in office and the consistently good economic management provided by the Prime Minister, the Treasurer and others in the executive arm responsible for economic management, the government can afford that loss of revenue. It is a very important initiative. It is very important not only as an initiative from the government but also because this reduction in the price of fuel as a result of the abolition of the 1.5c per litre increase of earlier this month is passed on to consumers straightaway. It is no wonder that Labor have come in here today trying to muddy the waters: their lazy way of raising revenue—the automatic indexation of the fuel excise—has been abandoned.

It is important to understand that high fuel prices, by and large, are a consequence of high crude oil prices. That is not a matter that can be dealt with by the government and it is not a matter that can be dealt with by the Australian people, because those oil prices are largely determined by the machinations of the OPEC oil exporting countries of the Middle East. To the extent that the government do have some responsibility and capacity to alleviate that situation, they have done so with this initiative today. As a result of sound economic management, that will not in any way cause problems for the budget. Despite the significant cost of $555 million, the budget surplus and our capacity to reduce debt will be retained.

Under the Labor Party, we had these automatic increases in fuel excise every six months—there were 23 of them under the Labor Party, as I recall, which gave them extra revenue—and yet the budget deficit kept rising as well. So on the one hand they were gleaning more revenue from the Australian public and on the other hand it did nothing for their budget management at all, because in essence they were a tax and spend government with no responsible economic management. This announcement goes well beyond anything that Labor are offering in this legislation. It goes well beyond anything that Labor did in government to relieve the impact of fuel prices on the Australian community.

Under Labor, inflation averaged something in the order of 5.2 per cent. With inflation at that level, those indexation increases were of some significance. Seven of the 23 indexation increases under Labor were in excess of four per cent. To the extent that indexation increases have continued under this government in earlier years, none of them has been of that order. None of them has had the same dramatic effect on petrol prices as the effect they had under the Labor government. Not only were there indexation increases over the last four to five years—because it is only now that we have abolished this automatic indexation—and not only were they significantly below whatever occurred under Labor, but now they are no more.

On 1 July, we cut excise by 6.7c a litre in the move to the new taxation system—the much needed taxation reform and the implementation of the GST. For business use, that 6.7c a litre that was replaced by the GST is fully refunded. There are a number of other initiatives that this government has taken in relation to fuel related issues to ease the bur-
den of fuel costs on the Australian community and the productive capacity of our nation. As I said earlier, we cut fuel costs for heavy transport by 24c a litre with the on-road grants scheme. We have also introduced the Fuel Sales Grants Scheme for regional and remote areas to reduce the variation in price between city and country areas.

I also referred earlier to the off-road scheme, whereby diesel for on-farm use, for instance, was completely free of excise. Under our policy, that excise-free diesel has been extended to marine use and rail transport, again to reduce the cost of transport and the cost of producing and delivering goods and services in Australia, to the overall benefit of our economic productivity and consumers. As I said, we also allow the GST component of business use of fuel to be fully refunded.

Let us have a look Labor’s policy. Again, it is no wonder that they ignored that in the debate this afternoon. They are not going to take the GST off petrol. They are not going to reduce the excise on petrol. They will not abolish the indexation—that very important initiative that we have taken today. So there is a stark contrast between this Liberal-National Party government and the Labor Party opposition in our approaches to issues relating to fuel prices and the taxation of fuel. They have been out there in the community cranking up concern about excise, but when it comes to the crunch—when the rubber hits the road—they really will do nothing in terms of any long-term solution about it. Sure, this bill we are debating this afternoon that they introduced into the Senate sought one limitation of the excise. Beyond that, they have made it very clear that they would not reduce the excise on petrol and that they would not abandon the automatic six-monthly indexation of fuel excise. In contrast, this government has today reduced that excise by 1½c a litre, and it has abandoned the automatic indexation of the fuel excise.

It is worth noting that Senator Cook, who introduced this bill, criticised our tax reform package because it was going to cut the cost of diesel. I will quote from the report of the committee that Senator Cook chaired, which inquired into the tax reform package. The report was, in essence, drafted by Senator Cook as the chairman of the committee, the Labor Party having the majority on that committee. That report said:

The government’s proposed tax changes will encourage business to use more heavily polluting petroleum fuels at the expense of LPG, LNG and other more environmentally friendly fuels.

There we see Labor’s real attitude to fuel prices. They want higher fuel prices because they mistakenly believe that higher fuel prices will lower the use of what they regard as environmentally damaging fuels. Nothing could be further from the truth. People do not use fuel for the fun of it; they use fuel because they have to. Most fuel is used for business purposes. To the extent that it is used for private purposes, a lot of that use is also not discretionary.

I recall Senator West saying a few moments ago that country people’s use of fuel is not discretionary, so to suggest that because the government has reduced the price of fuel people will use more of it is quite illogical and absolutely crazy. The reduction in the price of fuel means that people will have a little more money to spend on some other goods and services, and that will benefit their own standard of living. It will benefit Australia’s economy and productive capacity and ultimately jobs and welfare for the Australian community at large. But cheaper fuel will not encourage people to use more fuel, and it is quite ridiculous to suggest that that would be the case.

It is also important to understand that the claim by the Labor Party that there is a windfall gain as a consequence of the high petrol prices currently being experienced in Australia is a fallacious claim. Revenue from excise in this current year has actually fallen because the government has reduced the price of fuel people will use more of it is quite illogical and absolutely crazy. The reduction in the price of fuel means that people will have a little more money to spend on some other goods and services, and that will benefit their own standard of living. It will benefit Australia’s economy and productive capacity and ultimately jobs and welfare for the Australian community at large. But cheaper fuel will not encourage people to use more fuel, and it is quite ridiculous to suggest that that would be the case.

It is also important to understand that the claim by the Labor Party that there is a windfall gain as a consequence of the high petrol prices currently being experienced in Australia is a fallacious claim. Revenue from excise in this current year has actually fallen because the government reduced excise by 6.7c per litre. It will fall further because of the reduction of 1½c per litre. On the other hand, it is very clear that the revenue stream from the GST on fuel goes to the states and territories—it is a state and territory tax in that sense—and there is no windfall as a result of that. Also, the reduction announced today will have an effect because it has already been built into the forward estimates.
The decision today is designed to directly assist Australian motorists, both private and business, by giving them some relief from the high fuel prices they have suffered in recent months as a direct consequence of high crude oil prices. There is no doubt that this reduction will help to ease the financial burden on motorists, but importantly the government will also retain a responsible budget position. That is something that the Labor Party never worried about when it held the reins of government. It was high taxing and high spending—a tax-and-spend government.

It is also important to reinforce that this excise cut will directly benefit motorists. It will not benefit the oil companies. The government has put in place measures to ensure that the full benefits of this package are passed on to motorists under the price exploitation provisions of the Trade Practices Act. That gives the Australian Competition and Consumer Commission sweeping powers to monitor prices, to demand information from businesses in relation to price setting and to name and shame businesses that engage in price exploitation, just as it was able to with the introduction of tax reform and the GST. It is not only a legal obligation but also a moral obligation of the oil companies and service station operators to pass on this reduction to motorists so they get the full benefit from it.

In contrast with what the Labor Party said today, let us look at what the community is saying about this very important announcement. None other than the Australian Automobile Association—which, I have to say, has been very critical of this government in recent months over the issue of fuel prices—has warmly welcomed this announcement. The Executive Director of the AAA, Mr Lauchlan McIntosh, said that the AAA was very pleased that the government had listened to motorists’ concerns. It is especially pleased about the abolition of automatic six-monthly indexation, which is a significant decision today. The 1½c a litre reduction is very important, and it will improve the situation of motorists immediately, but the long-term benefit for motorists out of today’s decision is from abandoning automatic indexation.

Mr McIntosh also said that it would have been very easy for the government to take a short-term bandaid approach to this issue but instead it has opted for fundamental reform which should lead to long-term benefits to motorists. He is referring to the abolition of the six-monthly automatic indexation of excise. He said that that and the stronger powers for the ACCC to police petrol pricing are very good outcomes for motorists and other users. There we have it—high praise for the government’s decision from the chief body representing Australia’s motorists. It is praise that is well deserved. It is the result of the government’s listening to the community and acting. Importantly, this decision puts greater discipline on governments in the future. If they want to raise additional revenue from fuel excise, they will have to be up-front and transparent about it and will have to introduce specific legislation through the parliament to do that. Those who are policy lazy—who adopt a lazy approach to revenue—will not enjoy this decision, but this government can be really positive about it. (Time expired)

Senator HUTCHINS (New South Wales) (5.28 p.m.)—You would think by the way a number of the coalition MPs are crowing this afternoon—in particular those who have stood up and had a say—that they had had some personal marvellous victory. I have been combing through the press clippings over the last few months and have been looking at the list of coalition MPs who have been prepared to get up-front and have a go at their Prime Minister. I cannot say that I ever saw Senator Chapman’s name there. I cannot say that I saw Senator Tierney’s name there. I might say that the only senator who has had enough guts to have a go at his Prime Minister, and is public about it, is Senator Winston Crane. He is the only coalition senator I can find in the press clippings. I am sure that, if I am mistaken, some hero or heroine will get up here and point out my error. Senator Winston Crane is the only one.

Petrol pricing has been an issue for the coalition since June last year. This is obviously a matter that has been well and truly discussed in the coalition party room. I know at least a dozen coalition MPs who are obvi-
ously good local members reflecting the angst in their areas and who have got up and had a go at their Prime Minister.

Senator Tierney interjecting—

Senator HUTCHINS—But people like Senator Tierney are real heroes in here. They have those home and away games. Some of them are very brave coalition MPs in their electorates; they are climbing into their government when they are in their electorates. But when they get down here in the party room, what do you hear?

Senator Tierney—You don’t know what happens in our party room.

Senator HUTCHINS—You hear deafening silence. That is all you hear from Senator Tierney now. You are going to get up and have a go. Good on you! We have never heard a word from you. All the people in the Newcastle region, up in the Hunter where you shadow, have not heard a word from you.

Senator Tierney—Yes, they have.

Senator HUTCHINS—No, they have not. You have hardly had any impact at all.

The ACTING DEPUTY PRESIDENT (Senator Sherry)—Senator Hutchins, please, sit down. Senator Tierney, will you please be quiet. You have been consistently interjecting since Senator Hutchins started speaking. We have already had one person go today, so you will please stop interjecting.

Senator Tierney—Mr Acting Deputy President, I raise a point of order. The interjections are because I am being provoked by the speaker. Perhaps you could give some guidance to the speaker to stop provoking those opposite and you might not get so many interjections.

The ACTING DEPUTY PRESIDENT—That is not a point of order, and as you well know from earlier today it is not a defence either. You are listed to speak shortly; please reserve your comment for then.

Senator HUTCHINS—At this point I should probably remind the Senate of the welcome that the President of the Sydney University Liberal Club handed out during orientation week. I suppose the example we have just seen of Senator Tierney and a number of the other coalition senators jumping up is obviously what Mr Kyle Kutasi was talking about. I will quote it again, because there is a bit I did not add yesterday. Mr Kyle Kutasi said:

One problem with the Liberal Party has often been that its MPs are hopelessly amateur. Sure, they make good candidates—

Well, I do not agree with Mr Kutasi about that—

but they have little experience in dealing with the real politik of Parliament.

I will come back to the critique of coalition MPs from Mr Kutasi of the Sydney University Liberal Club shortly because he does talk about crocodile farmers and hypnotists. I do not know where you would fit in there, Senator Tierney, but I am sure that when you get up to speak you will make sure that we are—

Senator Jacinta Collins—Illuminated?

Senator HUTCHINS—Yes, illuminated. At the last election the Prime Minister made one of those quotes that he likes. He said, ‘The price of petrol would not rise as a result of the introduction of the GST.’ That was obviously a lie, and that has been proven time and time again since that election was held. The price of fuel is now going to be reduced by 1.5c a litre. On the Central Coast of New South Wales, in the electorate of Robertson, currently held by Mr Jim Lloyd, under the government’s proposal if you fill up at one of the Woy Woy service stations you will pay a total of $56.64, or 94.4c a litre. The price of petrol will go down from 95.9c a litre to 94.4c a litre. Of that, the tax would be reduced by 1½c. So, today or tomorrow—

whenever this proposal will operate from—if you were to fill up a normal family sedan that holds 60 litres, you would pay $56.64. The break-up of that right now, if not tomorrow when it comes in, will be $28.50 to the fuel company, the service station owner and all those costs, but $28.14 will still come back to the federal government. That means the reduction from what you would have paid yesterday to what you will pay today is 90c. That is all one family will save from yesterday’s price when they fill up their sedan today or tomorrow. So today it costs $57.54 to fill up the family sedan; tomorrow it will cost $56.64—that is a 90c reduction. I do not
think you can even buy a Mars Bar with 90c anymore. However, the coalition MPs are out there, singing the praises of this marvellous deal.

I do not see how that is going to have any impact at all on people’s disposable income. If you fill up your car twice a week, as people in the outer suburbs of Sydney have to do each week, you will be saving $1.80. That is all you would be saving. I do not know how the government can claim that this is a marvellous deal for motorists, because it is not. They are paying too much money now for fuel. In our legislation we are attempting to make sure that that is handled.

Even the Minister for Trade, Mr Mark Vaile, who holds the seat of Lyne, at some point last year when pressed on the difference between city and country petrol prices said that it was unacceptable. But what has happened? As Senator West said earlier, the price of fuel in Bathurst is much more expensive than the price of fuel here in Canberra. The price of fuel in Sydney today is 97.9c per litre. Yet at Port Macquarie, it is $1.09; in Taree, 99.9c; and in Wauchope, 99.9c. A lot of people in this region are retirees and are very restricted by the amount of money they have. I have a letter addressed to me from the Manning Valley Branch of the Combined Pensioners and Superannuants Association. They talked about the impact of the GST on petrol and how it is affecting them. Mr or Ms J said:

Mr Howard’s promise that petrol prices would not rise because of the GST has proven not to be the case. Recent rises up to a 102.9 cents per litre here in Taree mean that we find our movement restricted, and the prospect of reduced contact by distant family and friends.

………

Low income families are being hurt by the government’s present policies. This is not something I ask people to write to me about; this is something these people are motivated about because they are suffering as a result of the government’s petrol pricing policy. They say that they cannot get their families to drive up to their regions to see them and their own ability to move around is restricted—and all because of this mean-spirited government.

Senator Tierney—You were pretty mean spirited when you were in government.

Senator HUTCHINS—When I spoke earlier about a number of the Liberal Party people, I mentioned the crocodile farmers and the hypnotists you would come across if you joined the Sydney University Liberal Club. But, in relation to the promise by the Prime Minister, John Howard, I do not think he is going to get away with being a hypnotist this time. I do not think this 90c that you save when you fill up a car is going to be enough to make sure that the government gets through the next election. I do not even think those courageous coalition MPs who for some time have publicly been berating the Prime Minister to ensure that he would do something about the price of fuel will be saved at the next election. The people are not going to be fooled. If you believe that they are going to be so happy or relieved by this mean-spirited government and its mean little effort to reduce the price of fuel, I am afraid you are going to be sadly lacking. But it would not mean too much, particularly for a number of the Liberals we see in this place who are restricted to the environs of the Eastern Suburbs of Sydney or the lower North Shore.

Senator Tierney—Not me.

Senator HUTCHINS—You are an exception, Senator Tierney, but you are not as courageous.

Senator Ludwig—Mr Acting Deputy President, I rise on a point of order. I wish to raise the matter of Senator Tierney continually interjecting. Since you warned him the last time, he has interjected on no less than four occasions, and I would like to bring that to your attention.

The ACTING DEPUTY PRESIDENT (Senator Sherry)—I do uphold the point of order. Senator Tierney, I mentioned this to you on a previous occasion, and I would draw your attention to the fact that you will be speaking shortly.

Senator HUTCHINS—As I said, a number of the Liberals in this place, particularly in the Senate—with the exception of silent Senator Tierney—would not feel the impact of these fuel prices. A number of them think
that Sydney stops at Strathfield. That is as far as a lot of them ever get. When they are filling up their Audi or their BMW or their Volvo, it does not matter if they save 90c—they probably spill more than that in champagne. But in relation to the people on the Central Coast of New South Wales in the electorate of Lyne and, in particular, in the electorate of Lindsay where Miss Jackie Kelly is the member, it does have a real impact. I repeat: if you fill up your car at Woy Woy today, the government is reducing the price of filling up that tank by 90c. That is all people are going to save—90c. Some big windfall—I think not!

No matter what sort of selling the government is going to do over the next few days on how this is some sort of marvellous victory for commonsense, I do not think the people are going to buy it. This has been an issue in the government's camp for well over 12 months and people have been complaining about it for some time, and it is only now that the Prime Minister has acted. It is too late. You can see the writing on the wall. You can see the nervousness there. Senator West already highlighted today the backflips that are under way in relation to policy positions: the backflips on BAS, the backflips on trusts, and now the backflips on petrol. When are we going to see the backflips on Telstra?

The government used to try to pride itself on being economic managers—steady people in a crisis. Would you really let John Howard be a captain of a ship if it was in a stormy area? I would not; not after these actions. This Prime Minister does not have the capacity to lead. He has now been forced to take a series of backflips as a result of the continual pressure on the coalition from the elections over the last few weeks. I imagine that what was really on the Prime Minister's mind was the fact that, in the next few weeks, we are going to see a by-election in one of the safest coalition seats in the country. We are going to see a by-election in Ryan. Of course, the pollsters and all the other people on the ground must have been well and truly telling the Prime Minister that there is a serious reaction out there to him and his government's policies. I do not think the coalition is going to get over the fact that they have been seriously wounded as a result of the Queensland and Western Australian elections. When the rot gets in a political party—as we know in the Labor Party—it stays there; there is nothing much you can do. There is not much you can do when the body has been mortally wounded, as has happened to the coalition, particularly the National Party. All you can do for those coalition MPs over the other side is check out their entitlements after they leave parliament, because there will be a healthy swag of Labor MPs here after the next federal election. In the seat of Lindsay, we have—and I have to say this; it rhymes—a lazy Lindsay Liberal in Jackie Kelly. She has the sports portfolio. We have hardly seen anything of her in her electorate. We thought that maybe—

Senator Tierney—Mr Acting Deputy President, I raise a point of order on relevance. Senator Hutchins has been wandering all over the place in this speech, but now he is wandering through the seat of Lindsay. I ask you, Mr Acting Deputy President, to direct his attention to what the matter of this debate is. Perhaps he could point out to us Labor's record on excise from 1993 to 1996. I think that would be very illuminating.

The ACTING DEPUTY PRESIDENT—Order! There is no point of order. Senator Hutchins is well within the spirit of the conduct of the Senate in his debate so far.

Senator Hutchins—I was getting around to Lindsay, Mr Acting Deputy President, because I sat on the Labor Party's petrol price inquiry and we went there and took submissions. A lot of people had not seen Miss Jackie Kelly for a while. They thought she was in Canberra working and the people in Canberra had not seen her here and they thought she was back in Lindsay. So, once again, she is either lazy or she is disappearing or maybe she thinks we are going to get hypnotised out there in that seat of Lindsay.

One of the groups that we had submissions from was what is called the Nepean Food Services. This is community group, a volunteer organisation, that operate on a very tight budget. They rely on volunteers to deliver food to the elderly and the disabled. They are finding that volunteers for their services, all of whom have to pay for their own petrol, are
becoming scarce in numbers because they cannot afford to fill up their cars. As a result, there are insufficient drivers to deliver meals, which means that the elderly and the incapacitated are not helped.

That is the result of what has been happening with these fuel price increases. Do you really think that 90c a week is going to be enough to make sure that we get these volunteers back there? These are honourable people; they want to make a contribution to their community; they want to help people who need assistance. Can they? No, the volunteers are drying up because they cannot afford to fill up their petrol tanks. Do you really think that 90c a time when they go to the bowser is going to be enough? I do not think so.

Mr Arthur Galis, who owns a petrol station in Londonderry in the seat of Lindsay, gave us a written submission. He says that he runs one of the few remaining driveway service stations in New South Wales. He reported that high petrol prices are leading to the crippling of his business through increased petrol theft by people who cannot afford to pay. Mr Galis has said that in those areas, particularly the outer suburbs of the major cities, where you have to have a car to get around because public transport is not available and you have to travel because you cannot work in your own municipality, there is increased petrol theft. People are driving into the service station, filling up their car, and driving off. That is what is happening. That is the result of the increased fuel price.

If you filled up your tank tomorrow in Woy Woy, it would cost you $56.64. If you filled it up the day before, without that 90c saving, you paid $57.54. So 90c has been saved and, of that price, $28.50 goes to the petrol company and the service station, but now $28.14 still goes to the federal government. No wonder people are starting to make themselves unavailable to go and fill up their tanks so they can help out in places like the Nepean Food Services. No wonder they are ripping off poor service station owners like Mr Galis because they cannot afford to pay for the cost of fuel when they go and fill their cars up as they need to.

We know that this government is in terminal decay now. The backflips that have occurred over the last few weeks are signs of that. Any reading of history will tell you that, once the governing party or the authority in power start to make these sorts of backflips and to turn around and to give the appearance of panic, they are in decline and will be booted out. I am pretty sure those coalition MPs would be going up to the office in Parliament House checking on their entitlements. I hope they get looked after when they lose their seats next time, as undoubtedly a lot of them will.

Senator Tierney—You wish.

Senator Hutchins—Someone like Senator Tierney is all right. He has another three years to go. I imagine they will still try to put someone in the Hunter region when he goes, when he retires or gets punted, whatever happens. I will tell you: he has not been all that successful so far. We have got most of the Hunter seats.

Senator Tierney interjecting—

Senator Hutchins—We will probably pick up a few more up the coast. We are very lucky that we have good candidates for our party up the North Coast of New South Wales. They will be an asset to this parliament when they join us.
Senator Jacinta Collins—We are not either.

Senator TIERNEY—But we have Senator Collins here. I note she is not even on the list. She is probably too embarrassed to get up, given Labor’s record on petrol excise since 1993 when we had high taxation at the petrol pump. We had previously a Labor government who believed in high taxation. They are a high tax party. One of the ways that they managed to rip an enormous amount of revenue off the Australian public between 1983 and 1996 was by not just bringing in a major tax at the petrol bowser but also by constantly increasing it. They were such poor economic managers that they generated an enormous inflation rate. That then created another tax bonus for them because they were the ones that brought in indexation—something that the government has now abolished. We are the first government since this came in during 1983 to actually reduce the amount of excise. This is most welcome across Australia as this will lead to a very welcome drop in the price of petrol.

The other thing that we have done which Labor should be standing up and praising—but of course they will not—is cut the indexation of petrol excise. As a matter of fact, the Labor members are probably quite horrified by that change because this was one of their little cash cows that they would have secretly hoped would be retained for the day that they ever, unfortunately, might return to government. Without that indexation to inflation, they do not have that ever rising tax take at the petrol bowser. But today this government has cut this out.

We have also instituted an inquiry into fuel taxation. Also, in terms of the application of this 1.5c drop, we will be giving special powers to the ACCC to monitor this process very carefully and make sure it is passed on—and this will be very welcome to the Australian public. The reason for the government doing this is that we have been out there in rural and regional Australia, we have been out there in country Australia. That is something Senator Hutchins would never have done. He sits there in his Phillips Street office, up on the 11th floor; I doubt he has ever got much beyond the Sydney Harbour Bridge. He certainly does not know how people are feeling out there in country Australia and what their reactions are. In the coalition we hold many seats in country Australia, and we have been out there listening to what people have been saying. In the party room—despite what Senator Hutchins has said—certainly many members brought those concerns back, and that is why you have that change today. This is a government that listens, and this is a government that responds to what people out there have been saying—and that is something you would never have seen under a Labor government.

Can you imagine a Labor government actually dropping the amount on excise? They certainly never did that in their 13 years in government. What they did was keep putting it up. You would never ever see a Labor government taking indexation off, because they realise that is taxation by stealth. That is something that they like, because it helps cover their normal range of economic mismanagement. But what we have had here by this government is good economic management. We have come up with a sensible balance between expenditures on certain matters, keeping inflation low, keeping the budget in balance and also giving back, through the reduction in this excise, money to provide excise relief for the people who are buying petrol.

One would think Labor would welcome this, but we have not seen anything of that today. They would realise of course that, if they did welcome this, it would be rank hypocrisy, given their record since 1983. Let us look a little more closely at that record. They put up petrol taxation in their term by $4.1 billion. That over 13 years is what they took through this system—$4.1 billion. So what a hide they have in talking about a tax windfall for our government, given their record since 1983. Let us look a little more closely at that record. They put up petrol taxation in their term by $4.1 billion. That over 13 years is what they took through this system—$4.1 billion. So what a hide they have in talking about a tax windfall for our government, given that they were the perpetrators who started it and, indeed, continued it over time. They imposed a tax hike of $4.1 billion. When they left office, the excise was 34c, which is an increase of 450 per cent. It was doing multiple leaps over that time, not only by their jacking up the excise rate but then also by their indexing it up for inflation. That provided a double whammy in costs to motorists at a time when
people were struggling with very high inflation rates and very high interest rates. Throughout Labor’s time, indexation went up on 23 separate occasions. What we are doing is putting it down; what they did during their years in government was constantly put it up. Because the Labor Party ran this high-inflation economy, it went up a lot faster than it normally would have if they had managed the economy sensibly.

But what are Labor going to do from this point on? Where are we going to get guidance about what the next Labor government would do? Are they going to do what they did from 1983 to 1996? From listening to the comments of Kim Beazley, the Leader of the Opposition in the lower house, I suspect that is possibly the case. You will find that he fudges and just flip-flops all over the place and does not give a straight answer. When he was on 3AW in Melbourne with Neil Mitchell on 5 February this year, he was asked by Neil Mitchell:

... is it possible you would look at taking the GST off petrol?

Kim Beazley’s response was:

I don’t think we’d give that contemplation.

The ACTING DEPUTY PRESIDENT (Senator Sherry)—Senator Tierney! Order, please.

Senator TIERNEY—Yes, Mr Beazley. So just when you thought the Labor Party wanted to roll back the GST, they changed their minds. But there is more. Neil Mitchell continued his questions by asking:

But you might look at taking the excise off?

Mr Beazley’s response was:

... nor the excise for that matter.

Neil Mitchell thought he had misheard Mr Beazley, and he said:

Sorry, you said nor the excise. I must have misunderstood.

Then, asking a very direct question, Neil Mitchell continues:

Will you consider taking excise off petrol?

Mr Beazley’s response:

Well if you took the excise off petrol what particular schools would you start to shut?

Clearly, the Labor Party have no idea where they stand on excise and petrol prices. Now they are also saying that if they do take the excise off petrol, then they are going to cut the education budget. That is the sort of policy confusion that we are getting on this matter from this policy-lazy opposition. They complain about petrol prices, and then they say they will not be changing the GST on petrol or removing the excise. But it is just not Mr Beazley who confirms this; it is also members of his frontbench. The shadow treasurer, Simon Crean, was interviewed by Michael Spooner on the ABC’s Central Queensland radio on 31 March last year. Michael Spooner asked Mr Crean:

What sort of commitment can Labor make regarding fuel excise?

Mr Crean’s response was:

... basically our position has been that there needs to be this mix between indirect taxes and direct taxes. We always had fuel excise in that mix. We were not proposing to make any changes to the fuel excise regime.

Well, what humbug we have had here today from these people, when their own senior spokesmen are saying that they are not going to change anything and, indeed—read for code, given the history of Labor governments—that when they get back in, they will keep jacking it up to get more tax revenue. Also, let us go to Joel Fitzgibbon from the Hunter, who is also the shadow small business minister. On his local 2NM radio station on 24 July last year, Mr Fitzgibbon said:

Well my point to the party is this, that petrol prices have been an election issue for decades. At every election they become an election issue, but after the election the problem remains, no matter who wins.

So he is saying that the old Labor system will keep rolling on. The simple fact of the matter is that Labor make no mention of cutting excise themselves, because they need that money for their big spending promises. So what we have heard here today, given Labor’s track record in the past and what their own spokesmen have indicated in code they will do in the future, is absolute humbug—and that is what this debate is about.

Debate interrupted.
The ACTING DEPUTY PRESIDENT (Senator Sherry)—Order, Senator Tierney! The time allotted for the consideration of general business has expired. The Senate will proceed to the consideration of government documents.

DOCUMENTS

Consideration

The following orders of the day relating to government documents were considered:


General business order of the day no. 1 relating to government documents was called on but no motion was moved.

COMMITTEES

Rural and Regional Affairs and Transport References Committee

Report: Government Response

Debate resumed from 8 February, on motion by Senator Forshaw:

That the Senate take note of the report.

Senator O’BRIEN (Tasmania) (6.01 p.m.)—Acting Deputy President Calvert, I am sure you did not think I would let an opportunity go by to speak to the report on the deregulation of the Australian dairy industry, which remains an issue in this place. You would have heard Senator Woodley ask a question today of Senator Alston, in his capacity as representing the Minister for Agriculture, Forestry and Fisheries, with regard to the very issue of dairy deregulation. Yes, it is true that the report was indeed signed off by Senator Woodley. Indeed, it was signed off, as I understand that, by you and Senator Crane and Senator Ferris, as well as by Senator Forshaw and me. It is a report which, unfortunately, the government has responded to in a 14- or 15-line missive which simply said, ‘This matter has been dealt with. We have passed legislation through this place and put the dairy package in place.’ What a pathetic response.

Everyone in this place knows that, as far as the industry is concerned, the issues raised in the report and the restructure package that has been passed through this place do not end the issue of dairy deregulation. Indeed, it has been pointed out today by Senator Woodley that one of the recommendations—which was the subject of, in effect, the question by Senator Woodley—was that there be a review undertaken in relation to the operation of cooperatives and their accountability requirements and mechanisms. Given the announcement in the media today that the Bonlac Corporation is considering merging with the Murray-Goulburn group—which would mean that the two largest cooperatives in Australia become one—that is a matter which I would have thought the minister today would have had a brief on. Apparently, if he had one, he did not know he had one, because he really was all at sea in his answer to the question.

Senator McGauran—It is better than the New Zealanders taking over.

Senator O’BRIEN—Senator McGauran suggest that it is better than the New Zealanders taking over. I am not sure if it is any better or worse. There was, as I understand it, a proposal for Bonlac to merge with one cooperative in New Zealand, and that proposition had been sold to the shareholders of Bonlac on the basis that that would give them a marketing edge. And now, of course, there will be a proposal to try and sell an alternative proposition and maybe get into a bidding war about it. It raises an issue about what dairy farmers are going to face: if there is only one major cooperative operating in Victoria and Tasmania, what options will dairy farmers have in the sale of their milk? We have seen in the last few days dairy farmers producing milk for the white milk market—the supermarket milk market, let us call it—pleading for and obtaining a price increase to keep them in the industry.

One matter which I have always been keen to follow up on, following our inquiry, was how the processors would keep dairy farmers in the industry when prices fell, as we all knew that they would, after deregula-
tion. None of us knew how far they would fall. It has been established that, in terms of manufacturing milk, ABARE was right and that, in the northern states, ABARE was also right that the price of market milk—white milk, the milk we all drink—would fall to the same level. But, in Tasmania, what the producers have effectively said in our current climatic conditions is that there is not an incentive to remain in the white milk market with the prices that are being paid; and now the price of milk will rise, as I understand it, by 5c a litre in the supermarkets—4c at a wholesale level—and it is proposed that somewhere between 2c and 3½c of that increase will go to the producer, to keep them in the industry and justify them incurring the costs that they necessarily incur to produce milk year round for that market.

These are the sorts of issues that members of the committee expected the government to address in its response to the committee report. This committee, an all-party committee, spent a great deal of time and obviously money—using the resources of the parliament—to take this issue to dairy farmers around the country, to the companies who were involved in the industry, to the public, to the state government departments involved in the industry, in order to get a feel for what was going on; and it presented a not insubstantial report—as I say, a unanimous report—which said that deregulation was inevitable. A lot of issues were raised and a lot of recommendations were made but, unfortunately, all the minister could say in response was, essentially, in those 14 or 15 lines, 'We passed the package that the industry put before us.'

As I have said before, that is an indictment of this government. I have said it on a number of occasions and I will say it again. When this government took office in 1996, it knew that the DMS scheme would end on 1 July 2000. It knew that that scheme was all that was keeping the regulated sector together. It knew that, when that ended and, effectively, compensation was paid to dairy farmers in the non-regulated states—if I can put it that way—there would be immense pressure on the milk market from the Victorian producers in particular, who produce about two-thirds of Australia’s milk, to enter the other markets. The government knew all of that, and if it did not it would be a real admission of incompetence. But the government, I would say, is not incompetent in that regard. Certainly, the department was not. They knew what was likely to happen. They knew that there would be a challenge to regulation and they knew that the challenge would succeed. So the industry’s proposition—and it was the industry’s proposition, because the government was sitting on its hands—was that there be a package. The government spent months and months and months dealing with that package. That package went through, at the last possible instant, with the support of the opposition on the basis that we knew it had to happen—not held up by the opposition but held up by the incompetence of the government in terms of pursuing this matter.

There were producers out there in the sector who held out hope against all hope that regulation would continue and that somehow they would be protected. What should have happened is that this government should have taken the bit between its teeth early in its term and advised the dairy farmers that that was a pipedream, that one way or the other regulation would end. It should have put in train the sort of package, perhaps, that was ultimately put in train but with a much longer lead time so that dairy farmers could organise their affairs on the understanding that a couple of years hence this would happen, that nothing else would happen and that regulation would end in those states.

Let us face facts. What the government said to the states was, ‘You don’t get this package if you don’t deregulate, and you all have to deregulate.’ Let’s forget the humbug that this is all a state problem, because the Commonwealth said to the states, ‘If you don’t deregulate, your farmers will not get this package.’ But the government did not do that. What the government did was sit on its hands for three years and then, at the begging of the industry, embrace a package on such a timetable that the dairy farmers were in a position where they were not able to organise their affairs. Deregulation came with a rush. We are seeing the impact now, particularly in northern New South Wales and in Queen-
and the anger of dairy farmers is palpable. Let us forget the humbug about blaming the states, because the Commonwealth required the states to deregulate with this package. They required the states to rescind their regulation before their dairy farmers were eligible for the package. So let us forget that humbug and let this government admit the fact that it should have acted a lot earlier.

(Time expired)

Senator McGauran (Victoria) (6.11 p.m.)—On the same matter, I cannot allow the comments of Senator O’Brien, two weeks in a row now in this Thursday session, to go unanswered, brief as I hope to be on the matter.

Senator Forshaw interjecting—

Senator McGauran—Are you getting up on this matter, too, Senator Forshaw? You probably would, because both of you have used the opportunity of the dairy deregulation for your rank opportunism. As you well know, and I will say this on air now that we are on broadcast, I was never particularly in direct favour of deregulation. I came to it with a very heavy heart, even though I am a Victorian. But I cannot let you take an opportunistic—

The Acting Deputy President (Senator Calvert)—Could you direct your remarks through the chair, please, Senator McGauran.

Senator McGauran—I cannot allow the opposition to be opportunistic in regard to the deregulation that occurred on 1 July. It is rank inconsistency by the opposition. As you well know, I want to make the point about Bonlac—which Senator O’Brien raised, again just trying to hang something on the government. Let me just say that I happen to think that a merger between Bonlac and Murray-Goulburn is well worth considering. It should be a priority consideration amongst the directors of Bonlac over and above the second option that they may well have, their bid for a merger with the New Zealand company. Their third option is to shed assets. But the situation of Bonlac that they have put their members, their dairy farmers, is quite negligent. We should not even be in this position if it was not for the negligent management of Bonlac in the first place. There has been an attempt for Murray-Goulburn and Bonlac to merge before, and I did not agree with that, but with the pressure that Bonlac is under at the moment I think the merger is worthy of consideration. That will mean that at least in Victoria we really only have one milk cooperative company. But it will still be a cooperative. It will still be owned by the farmers of Victoria. There will still be a huge membership in Tasmania. There will still be a huge membership controlling that company. They will not lose their control. I just wanted to make that point. I do not know what point Senator O’Brien was making, actually. Was it simply that the minister did not have a brief on the matter?

Senator O’Brien interjecting—

Senator McGauran—It is a commercial matter, Senator O’Brien. But I just say it is worthy of consideration. We do not like monopolistic activity, least of all this government. But the point is that Bonlac has fallen into such disarray. Its management is in such disarray. Such is its weight in debt that it is now time to consider those options. I repeat: at least the farmers in Victoria and Australia will have control over the company. It will still maintain its cooperative status. I make that point.

My second point about deregulation is that you agreed to it. When the Labor government were in government, they set deregulation in train under the Kerin plan and under the Crean plan. So do not come in here and say that you do not want deregulation and that you have washed your hands of deregulation, because you set in train termination—

Senator Conroy interjecting—

Senator McGauran—I will try to be a little calmer but it is an emotional issue that you raise here, because you are attempting to wash your hands of what you put in place under the Kerin plan. You set the date of 1 July for the termination of DMS. Why didn’t you then have some compensation package in place? You were never going to give them compensation if you were fortunate enough to be in government still.
The ACTING DEPUTY PRESIDENT—
Can you address your remarks through the chair, please?

Senator McGauran—They had no compensation package in place, as this government has. We have a three-pronged compensation package; it is an adjustment package, if you like. The Dairy Structural Adjustment Program has funds of $1.78 billion, which I think is the biggest adjustment package for any industry—and so it should be, because this happens to be the largest adjustment of any primary industry. Of course we also have the Dairy Exit Program and the Dairy Regional Assistance Program. So that is my second point: you set in train long ago deregulation of the dairy industry, so do not come in here washing your hands as if, shock, horror, it was never going to happen. You not only ideologically supported it—

The ACTING DEPUTY PRESIDENT—
I presume when you say ‘you’, you mean through the chair, Senator McGauran.

Senator McGauran—I keep falling for that unfortunate trap. I will be far more disciplined. My third point, through you, Mr Acting Deputy President, is that the Senate committee chaired by Senator Woodley, which also had Senator Forshaw and Senator O’Brien as members, reported regretfully—and I do mean regretfully—that dairy regulation was inevitable. It was inevitable for these reasons. First of all, the Victorian industry itself, the United Dairy Farmers, headed by Max Fehring, was determined to see dairy deregulation across the country. The Victorians were going to cross the borders. That was the representative body of the dairy industry in Victoria. They were backed up by both the Kennett government and the Bracks government in Victoria. Both primary industry ministers backed up that deregulation. Then the federal body, with their mouthpiece Pat Rowley—who, much to my surprise, is a Queenslander himself—also supported dairy deregulation. All of them are running around saying that it was all very inevitable, but they all seem to agree to it, as you do. So when you had the industry bodies seeking deregulation and the state governments seeking deregulation, it was an inevitability, as was reported by the Senate committee and its chairman, Senator Woodley. So do not come in here and say that we forced deregulation upon the industry. I was on the Senate committee inquiry, and the Victorian industry and the federal body, represented by Pat Rowley, came before that committee and were quite strong and vigorous. That federal body needs a good shake up. I remember them coming before the Senate inquiry.

Opposition senators interjecting—

The ACTING DEPUTY PRESIDENT—
Order! I am having a little trouble hearing Senator McGauran. I ask senators on my left to keep quiet or to resume their seats, which would be more appropriate. Would you mind taking your seats, please?

Senator McGauran—The problem with the federal body is that it is not made up solely of dairy farmers; it is also made up of processors. There was a huge conflict of interest in that federal body, so I am not even sure the Senate inquiry got an unbiased view on deregulation. A Bonlac director, who was also on the federal industry body, came before the Senate inquiry calling for deregulation, which I found to be an incredible conflict of interest. But I digress. Nevertheless, I wanted to make that point.

My fourth point through you, Mr Acting Deputy President, is that not once in Senator O’Brien’s speech—and Senator Forshaw will be the same should he seek to get up—did he lay any blame in regard to the state’s milk quotas. The Labor Party have not once called upon their state governments to compensate in regard to milk quotas. That is the real tragedy of this deregulation. In Queensland and New South Wales, the milk quotas have become utterly worthless and there is absolutely no compensation. Those farmers bought those milk quotas from the state; they are state milk quotas. They are now a worthless asset, and they have received no compensation. Why won’t Senators O’Brien and Forshaw seek the state governments to be fairer and give the farmers a fairer go in relation to compensating milk quotas? Because they are Labor state governments. They have neither the courage nor the wit to demand that Premier Carr and Premier Beattie compensate their dairy farmers. That is the real tragedy and that is the real loss for the
dairy farmers. That is the hardship they are facing now: the worthlessness of their milk quotas. It is right at the feet of the state government to pay compensation. The blame lies with the state governments for not compensating the milk quotas. Are you getting up, Senator Murphy? I see that you are taking copious notes of what I am saying. Could someone get up and have the courage—

Senator Murphy interjecting—

Senator McGauran—No, you are not. You would not take on your own state governments. (Time expired)

The Acting Deputy President (Senator Calvert)—Senator Conroy, are you seeking the call?

Senator Conroy—I am not in my chair, so I can’t be.

The Acting Deputy President—Well, have you got a bad back?

Senator Conroy—Yes, actually, I do.

The Acting Deputy President—I wonder if you could sit down, because it is disorderly to be standing in the chamber when another person is speaking.

Senator Conroy—Under what standing order are you ruling that? I am not in my chair, so you cannot even be talking to me.

The Acting Deputy President—So you’re going to defy the chair, are you?

Senator Conroy—I have a bad back quite genuinely.

The Acting Deputy President—If everybody who had a bad back in this place stood around the chamber, it would be disorderly.

Senator McGauran—Mr Acting Deputy President, Senator Conroy is arguing the point with you and I think he is acting in a very unparliamentary manner. I know you are seeking to bring him to order. We are on air, but your conversation may not be able to be heard, so I will explain. Senator Conroy is defying the chair as he lounges around—

The Acting Deputy President—Senator McGauran, resume your seat, please. I ask Senator Conroy to either take a seat or remove himself from the chamber.

Senator FORSHAW (New South Wales) (6.22 p.m.)—I rise to make some comments on the government’s response to the Rural and Regional Affairs and Transport References Committee report entitled Deregulation of the Australian dairy industry. I remind the Senate and those who are listening that this report was a 200-page report of the Senate committee. It followed public hearings across all the states. It was a unanimous report from senators representing the government, the opposition and the Democrats and it contained a number of recommendations. It was a thorough report, as, indeed, senators have come to expect from all Senate committees.

If I can give a plug to the Senate rural and regional affairs legislation and references committees—which I serve on, and Senator McGauran, Senator O’Brien, Senator Murphy, who is also here, and you yourself, Mr Acting Deputy President Calvert, serve on—those committees give us an opportunity to get around the country and talk to people regarding issues in rural and regional Australia. I believe we give a lot of thought to the preparation of our reports and recommendations. So when you get a response from a government that amounts to just three paragraphs, and it is tabled in the Senate well over 12 months after the report was handed down—as I said, a 200-page unanimous report—then you can only assume that this government does not care about the workings of the Senate. The ministers in this government do not care about the work that Senator Crane and Senator McGauran, from their own coalition parties, do on this committee. To respond with just two paragraphs is contemptible and an insult.

There are a number of issues that I want take up. In particular, I recall that today in question time Senator Alston, representing the Minister for Agriculture, Fisheries and Forestry, was asked a question on the issue of the impact of dairy deregulation. Senator Alston, in his usual fashion, did not bother to answer the question but just parroted out the government’s rhetoric on this, that this is all a problem for the states. He also said that this was not even really a federal government problem or a federal government issue but that, rather, they responded to a request from
industry to approve this package. That is the line that Senator Alston has been putting out; it is the line that Minister Truss has been putting out. I also recall that I asked a question of Minister Alston when he was present at the estimates hearings last week—which was not all that often because he usually goes for a walk or a wander during the estimates hearings. I asked him a question and he did the same thing: he just blamed the states.

I want to take the Senate to some of recommendations and comments in the report, because it gives the proper picture of just what has happened with deregulation. Before I do that, the first point I want to make is in response to Senator McGauran’s comment that the Labor Party set deregulation in train. I will not deny that and I will not walk away from it. We understood that the industry needed to change. But what we did was to implement that change in a coordinated fashion with the industry and with the states. Everyone remembers the Kerin plan, when John Kerin was the minister, and then the Crean plan, when Simon Crean was the minister. You now see today the results of those plans which produced a situation where the export sector of the dairy industry has gone ahead in leaps and bounds and is now one of our major export earners in the rural sector. Those plans certainly had an impact on the industry because it did need to change, but they were implemented in a coordinated fashion so that dairy farmers did not suffer financially as a result. If they were going to be affected—either by having to exit the industry or by changing through structural change and adjustment—they would be assisted. That is what this government has not done. I will go now to the report by the committee, which said:

There seems to be no doubt that the Australian dairy industry will become a fully deregulated industry over time. The real point at issue is the timing of deregulation—whether there should be full deregulation now, whether it should be delayed completely for several more years or whether some sort of staged deregulation is an option.

So, sure, I accept that—as the committee understood—deregulation was inevitable. But what we were all concerned about—as Senator McGauran recalls, and Senator Crane was also on the committee—was to ensure that deregulation took place in a coordinated way and that it was done over a period of time so that dairy farmers would not end up in the situation that some of them have ended up in today. The report went on:

The Committee considers it to be the responsibility of the Commonwealth Government, not the industry or individual state governments, to coordinate the orderly transition of the dairy industry to a deregulated environment.

That is what the committee said unanimously, Senator McGauran. You said it was a Commonwealth government responsibility. Now this government wants to wash its hands and say it is all the fault of the states. The report went on:

While the Committee notes that a staged approach to deregulation may moderate its immediate effects and allow farmers more time to restructure their businesses, a one off, properly designed, adequately resourced and fully coordinated approach to deregulation is the preferred approach should deregulation occur on 1 July 2000.

We recommended in recommendation 1:

The Deputy Prime Minister and Minister for Transport and Regional Services and the Minister for Agriculture, Fisheries and Forestry call, as a matter of urgency, a meeting of state Agriculture and Regional Development Ministers to determine a framework, and a timeframe, for the coordinated deregulation of the Dairy Industry.

Our committee was calling on the Commonwealth government to get the states together around the table to determine a coordinated national approach, but the government did not do that. They sat on their hands and did nothing. Eventually, as the months ticked by and we got closer to 1 July 2000, they said to the states, ‘We’ve got this package that has been developed by the industry. You can take it or leave it. You’re going to have deregulation. You can have it with a package, which means some financial support, but if any of you states vote against it then nobody will get the financial support.’ That was the gun pointed at each of the state governments and at the dairy farmers in each state. What choice did they have but to accept deregulation with the package? There was no other choice. But nobody was happy about it, particularly in the states of New South Wales and Queensland.
The government run this line and claims that it has given the industry this package. Let us remember that this package was developed by the industry. It is funded by an 11c per litre levy on all milk that is consumed in this country. The government taxes the payments. Not one cent of government funds has been put into this package. All that happens is that the government collects the levy and then hands it back to the farmers. It takes out its tax share on the way through. When the government says that the states should now pay compensation, I say this: firstly, as Senator McGauran knows, in the states of New South Wales and Queensland, there is no scope to pay compensation because the quotas are not a property right; and, secondly, it is not their responsibility. It is about time the federal government recognised that they ultimately drove the deregulation agenda and that they should be looking at picking up the tab for the farmers who are suffering in those regions. I seek leave to continue my remarks on this report later.

Leave granted; debate adjourned.

COMMITTEES

Consideration

The following orders of the day relating to committee reports and government responses were considered:

Rural and Regional Affairs and Transport References Committee—Report—Deregulation of the Australian dairy industry—Government response. Motion of Senator Forshaw to take note of document debated. Debate adjourned till the next day of sitting, Senator Forshaw in continuation.

Environment, Communications, Information Technology and the Arts References Committee—Report—The Hinchinbrook Channel inquiry—Government response. Motion of Senator Bartlett to take note of document agreed to.

Corporations and Securities—Joint Standing Committee—Report—Fees on electronic and telephone banking. Motion of the chair of the committee (Senator Chapman) to take note of report agreed to.

DOCUMENTS

Auditor-General's Reports
Report No. 21 of 2000-01
Senator O'BRIEN (Tasmania) (6.32 p.m.)—I move:
That the Senate take note of the report.
I seek leave to continue my remarks later.
Leave granted; debate adjourned.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Calvert)—Order! There being no further consideration of government documents, I propose the question:
That the Senate do now adjourn.

Northern Territory: Community Contribution

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (6.33 p.m.)—I want to turn attention tonight to acknowledging, thanking and recognising a number of people in my electorate who I think generally do not enjoy the support and the encouragement that is due to them. In particular, I want to refer to the people who work in the remote, isolated and Aboriginal communities of the Northern Territory and certain other small areas. There is a great contribution under extreme hardship and often personal sacrifice from these people who give a public service in these areas.

In general—and I would not want to not be inclusive in my remarks—I think of nurses, health workers and doctors. I think of policemen, schoolteachers and other educators. I think of people who work for local government and people who provide other services, such as the important communications and telephone services in remote communities. I think of the various people who work in municipal or local government and in community services. These are onerous tasks that many of us who live in more urban environments, larger towns and cities often tend to take for granted. We see these people in our daily activities and in our social environments, and there is an obvious interaction. The communication and the interaction are often very positive. But, if you think of people who live in remote or special small com-
munities scattered in far-flung places and at great distances with perhaps only a few other colleagues working in similar environments close to them, we need to concentrate on and acknowledge the great work that many of them do.

When I look carefully at a range of federal government issues that impact on my electorate, the Northern Territory, it is very interesting to identify, either by department or by agency, the sorts of programs where I believe these people are making a great and very valuable contribution. Aboriginal hostels are an example. There are Aboriginal accommodation, education and training requirements, and special accommodation is often needed by people with health conditions. We should think of the many employees and people who are engaged in various ways with ATSIC. We have to be reminded of the CDEP, the very special programs, the joint venture programs and things like the Army infrastructure programs that are implemented in many of these isolated communities. You get an interaction between the ATSIC officials, the Army personnel and the local Aboriginal participants in many of those schemes.

There are areas such as, in the Northern Territory, a very important organisation called the Batchelor Institute of Indigenous Tertiary Education. It is emerging and I hope one day it will be the first Aboriginal university. It reaches between 1,700 and 2,000 students who are now scattered throughout the Northern Territory. Many of the students travel to Batchelor for their education but, at the same time, many of the counsellors and teachers go out to the various communities. It is very pleasing to see, although there is often a funding problem in making sure that these people travel—sometimes for short periods of time and sometimes for longer—and deliver very important education, whether it is in health services, in education or in training people to be efficient in office skills.

Centrelink administers programs caught up in rural and remote visiting services, supporting the various ATSIC programs and underpinning the very necessary income support in difficult, isolated and small Aboriginal communities. The Centrelink officers need to be recognised and given credit. There are many people caught up, in scattered areas, with the indigenous and Aboriginal art industry which, in itself, is emerging as a very important industry in places like the Northern Territory. But it does require specialist officers and officials from state and Commonwealth agencies visiting these communities and underpinning not only art but also important community development, youth work and areas to do with recreation. This is so often very important in these communities—ensuring not only that the grants flow but also that there is considerable activity.

Turning to the Commonwealth Department of Employment, Workplace Relations and Small Business, there is the important area consultative committee network that now ensures that important employment stimulation projects continue. I give recognition to the field officers, who go out to the communities and ensure that these projects happen. Similarly, with the Indigenous Employment Program and the implementation of the Indigenous Small Business Fund, people go out and put these together.

We must recognise that, in the Department of Defence—particularly in the ADF—there are many people engaged in exercises right through the outback of Australia and, particularly, in many areas of the Northern Territory. To see thousands of Defence personnel visiting, interacting with and participating in these communities is very important. I mentioned earlier the Army infrastructure initiative, which provides housing and other services in Aboriginal communities. Maybe many of those personnel go bush for short terms, but it is important. The Department of Education, Training and Youth Affairs recognises the importance of lifting Aboriginal literacy and numeracy skills in the learning environments of isolated communities and also recognises the challenges faced by teachers, specialists and workers and those communities. Teaching in an urban environment is one thing, but it is not often that you get people that will spend the entire year in a small and isolated community.

The Commonwealth Department of Family and Community Services implements the Stronger Families and Communities program,
looks at aged and disability carer support, implements special programs for parenting skills, implements the Regional Solutions Program and looks at the establishment of new child-care centres in urban and remote areas. This involves a lot of hard work from many people and from individuals in remote areas. This morning, I had the opportunity to meet representatives of CRANA, the Council of Remote Area Nurses of Australia, a very important organisation. CRANA brings together so many others in the allied health fields, whether doctors, nurses, health professionals or Aboriginal health workers.

Aboriginal health workers represent a very large number of people, who perhaps should be more appropriately named Aboriginal health ‘brokers’, because the particular skills that they bring in that area are so important. Conducting medical training and medical practice in remote areas often needs to be recognised, along with the great work that is happening in many new and special areas of coordinated care in remote areas—aged care, children’s nutrition, addressing the issues of substance abuse and petrol sniffing and ensuring a healthy environment in which young children can grow. There are so many areas which require much more research for Aboriginal and tropical health, and groups like the Menzies School of Health Research need to be acknowledged.

We tend to forget people like the workers of Telstra, the providers of telephone services in rural and remote communities. They are often criticised because of a lack of services, but these people are stretched across long and remote distances. At the same time, we must recognise the family inconvenience of relocation, the special needs for security and compensation and the special needs for the security of nurses and health professionals. Their sacrifices in the areas of ease of transport and ease of communication must also be acknowledged. I am very pleased that I have so many constituents caught up in all of these exciting and challenging areas of government administration. In particular, I want to pay credit to their dedication and their service under often tiring conditions.

**Minister for Sport and Tourism**

**Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (6.43 p.m.)**—Madam President, you may recall that in question time today I asked Senator Hill in his capacity as the Leader of the Government in the Senate, representing the Prime Minister, a question about Miss Jackie Kelly, the Minister for Sport and Tourism. I asked Senator Hill why, given that the Prime Minister delayed the swearing in as a minister of Mr Mal Brough until such a time as he received a clean bill of health from the Federal Police, the Minister for Sport and Tourism should not be stood aside until such time as she received a clean bill of health. It seemed a perfectly reasonable question to ask the Leader of the Government in the Senate. As is so typical of answers offered to opposition questions in question time today, I received no response. Not only did I not receive an answer but there was no attempt made by Senator Hill to answer this very important question.

While I attempted to press the issue when I asked a supplementary question, again there was no information forthcoming from the minister. This is apparently the new pattern that has been established in question time by ministers in this government, but I want to assure the Senate that the opposition will be pressing the sorts of issues that we raised in question time today in all the available forums. I can assure you that we will not be diverted from our role in holding the government accountable by whatever tactic or strategy the government might determine to adopt in question time in the Senate.

Let us have a look at this issue of Miss Jackie Kelly, the Minister for Sport and Tourism. I can inform the Senate—and I think most senators would know anyway—that, after the Federal Police started an investigation into the false enrolments of Mr Mal Brough’s staff, the Prime Minister accepted it as appropriate that Mr Brough not be sworn in as a minister. The Prime Minister stated on 31 January this year:

You need a completely clean bill of health to be sworn in as a minister. The Prime Minister stated on 31 January this year:

You need a completely clean bill of health to be sworn in as a minister. The Prime Minister said that for Mr Mal Brough
not to be sworn in was ‘the right thing to do’. Again, they are the Prime Minister’s words. He wanted:
... to be completely satisfied that he—
Mr Brough—
is in no way involved because these people were employed by him.
The opposition was attempting to ask Senator Hill in question time today what the Prime Minister’s test that was applied to Mr Brough means in the case of the Minister for Sport and Tourism, Miss Jackie Kelly. If you apply the Prime Minister’s test to Minister Kelly, it is clear that she should be stood down from the ministry.

I remind the Senate that when the shadow minister for family and community services, Mr Swan, was investigated for alleged electoral improprieties, Kim Beazley acted immediately and Mr Swan was stood down from the frontbench of the opposition. Last week, the AFP started investigating the disgraceful and probably corrupt scams that have been run out of Minister Kelly’s office. According to today’s Australian newspaper, AFP officers have interviewed six minor party candidates from the 1999 Penrith City Council election. It is reported that Miss Kelly and her staff will be interviewed. The AFP appears to be following a logical line of questioning. It is moving up the food chain.

What are the allegations that tie this investigation, this scam, directly to Minister Kelly? Firstly, we know that Miss Kelly actually chaired campaign meetings in her own office, where the dodgy micro-parties were planned. She overrode the concerns of others about the role of these particular bogus parties. Secondly, we know that Minister Kelly knew about the fraudulent enrolments being organised by Steve Simat to make sure that those micro-parties could run in the election. Minister Kelly was recently quoted in her local paper, the Penrith City Star, as saying she ‘knew Simat was dealing with the micro-parties’. She is reported last week as having asked Simat in August 1999 ‘whether everything was correct and legal’ and that Simat assured her it was. How insightful for Minister Kelly to ask these questions! How convenient!

Thirdly, what also ties this investigation so closely to Miss Kelly is that another of her staffers, Nicholas Berman, was fraudulently enrolled at her own house. Minister Kelly recently gave him up in another local newspaper, the Western Weekender. It reported Minister Kelly as being:
... surprised and disappointed to learn that former member of her staff, Mr Nick Berman, had remained on the Lindsay electoral rolls months after he moved away from the electorate early in 1998. It goes on to directly quote her:
‘Nick should have known better ... It happened, but there are no excuses. Naturally I’m disappointed.’

Two of Minister Kelly’s staff are up to their eyeballs in false enrolments. Their dirty tricks in this case were aimed at influencing the result of an election—in this case, the Penrith City Council election. Of course, it has an impact in other general elections as well. It just beggars belief, with the information that is now available, that Minister Kelly did not know about these fraudulent activities. I think, given how hands-on this minister was, it is quite likely that she was personally involved. The point is this: Minister Kelly does not have a clean bill of health. The Prime Minister could not be completely satisfied, with an ongoing AFP investigation on these matters, that Miss Jackie Kelly or her staff were not involved in the Liberal Party rorts in Penrith. I say that Miss Jackie Kelly should be stood aside, because that is the test that the Prime Minister himself has set on these issues. We will not be diverted by the tactics that the Liberal Party is employing in question time in the Senate on these sorts of issues. That is a promise I make to everybody in this chamber. We will progress these issues. We demand accountability on these issues. This matter is not closed.

East Timor

Senator SANDY MACDONALD (New South Wales) (6.53 p.m.)—I wish to report to the Senate on East Timor. An all-party delegation of the Joint Standing Committee on Foreign Affairs, Defence and Trade returned from a two-day visit to East Timor the week before last. It was on 12 and 13 February. Since our visit to East Timor 14 months ago, just after Australia had led the INTERFET
peacekeeping operation, the change within the country is significant. Previously the devastation was almost inexplicable, with systematic destruction leaving the country in ruins. A house with a roof was the exception to the rule. The traumatised population had either fled West Timor, or just fled. The number who had been killed remains unknown. It is estimated that the refugee camps in West Timor still hold more than 100,000 people, and some 150,000 have returned to East Timor. East Timor is slowly being rebuilt, with the United Nations, Australia and 30 other nations contributing a wide range of assistance, from troops to teachers of public administration. While the committee members are concerned with the pace, priorities and perhaps even certain personnel in the UN effort, there is no doubt that a major change has occurred in a short period of time. The aim now is capacity building in East Timor and the requirement to help the East Timorese to help themselves.

I would like to put on record my acknowledgment of the effort the Indonesians made during their 25-year rule. It is convenient to make Indonesia the whipping boy, but not all it did was bad. Many of the destroyed buildings and roads—now mostly repaired—show an effort to do good in East Timor. It is all too easily forgotten in demonising the Indonesian effort. Time has moved on. I want to make the point that Indonesia is our close neighbour and traditional friend. East Timor is to be put to one side in rebuilding our long friendship with our very large neighbour. In that regard I look forward to President Wahid’s planned visit in April.

The committee members remain concerned about the threat to peace and long-term stability posed by the militia based in West Timor. Until solutions can be found to the repatriation of those displaced persons in West Timor who wish to return to East Timor—under conditions acceptable to the East Timorese population—and the provision of a measure of justice to those who committed criminal acts, the problem will not go away. Action is occurring, but the committee members urge the United Nations to place a higher priority on addressing this issue.

It was interesting to see the first trials of former militia members taking place while we were there. These are important actions because it is a priority to reassure the local population that their country has changed forever. It was impressive to see the commitment Australia has made in East Timor. The military commitment makes you really feel proud to be Australian. I think that these young men and women are probably the best trained, the best led and the best equipped Australians ever to serve overseas. The original commitment to INTERFET was superb. The present force, which are based with the New Zealanders in Sector West in the west part of East Timor, are doing a very courageous job and winning the hearts and minds of the local population, which is in serious need of reassurance.

The other Australian contingent to the UNTAET force is well trained and working hard to bring a civil government to East Timor. There is much work to be done to build the infrastructure for nationhood, and there is major work to be completed before elections can be held towards the latter part of this year—planned for 31 August at this stage, two years after the independent ballot. Longer term, apart from the essential effort to create a public service, a credible police and military, and schools and justice systems, the question of land ownership will be a difficult issue. The issue of language also remains sensitive, with the Timorese being schooled in Portuguese and the middle-aged in Indonesian. English is the language of the UN and the NGOs. There is a long road to hoe for the East Timorese. Considerable assistance will be required from Australia. Australia has made a commitment of $150 million over the next four years, but the future remains uncertain for the East Timorese.

I want to finish by bringing to the attention of the Senate a most unsatisfactory circumstance concerning the committee’s visit. Despite this being a committee visit, it was treated by the Presiding Officers as an additional official international delegation. Therefore, the Clerk of the House of Representatives decided that the committee secretary should be replaced by another committee secretary, who had neither a knowledge of
the visits planned nor a background to East Timor. Mr Ian Harris, the Clerk of the House of Representatives, needs to understand that he is here to serve the parliament, not the other way around. If he needs to be publicly embarrassed, then so be it. The next time a committee of the Australian parliament goes overseas, it should be the committee that decides who they take, not the Clerk of the House of Representatives. I think that all senators would agree with that, and I think we are owed a further explanation of his gratuitous, inappropriate and unacceptable action.

Quarantine: Importation of Apples

Senator MURPHY (Tasmania) (6.59 p.m.)—I want to address a few remarks to Australia’s import control and quarantine measures and the process for determining those measures. Senators would know that, as a result of an issue relating to the importation of salmon, many significant issues were raised about the processes that were used to determine Australia’s quarantine measures.

As a result of that, the government took some action and established Biosecurity Australia and also introduced a bill to amend the Quarantine Act 1908. There are two things about the Quarantine Act. It specifically sets down a requirement under section 11C for the Minister for the Environment and Heritage to be advised about any proposed decision involving a significant risk of harm. Subsection 11C (1) says:

Before making a decision under this Act, the implementation of which is likely to result in a significant risk of harm to the environment, a Director of Quarantine must comply with the requirements of this section.

The requirements are that the director give advice to the environment minister and then seek advice from him or her in respect of the assessment process. The reason I raise this is that we are now proceeding through another Senate inquiry into the application from New Zealand for the importation of apples into Australia and the issues around fire blight and the possible introduction of fire blight to this country. Staff from the Department of the Environment and Heritage appeared before the committee this week and gave evidence to the committee that I found astounding. I have raised many concerns about process, and indeed the inquiry into the importation of salmon made a number of recommendations, particularly in reference to the preparation of draft risk analysis. The department of the environment appeared before the committee, and I would like to read a part of their submission. What is very concerning is this: the department of the environment actually sought for this application on the part of New Zealand to be referred to the minister. That was refused by Biosecurity Australia. The submission from the department of the environment says, in part:

Biosecurity Australia—

after refusing to refer the matter to the minister—

suggested that this Department’s—

being the department of the environment—

concerns could be expressed through a public submission on the draft Import Risk Analysis for New Zealand Apples (the draft IRA).

The submission states further:

A conclusion of the department’s submission on the draft IRA is that, clearly, the proposal raises significant environmental issues that have not been adequately addressed by Biosecurity Australia. It remains this Department’s view that this matter should be referred to the Environment Minister as is required by provisions of the QA Act.

Further on its says that, following an analysis of the draft IRA:

The risk assessment methodology employed in the draft IRA is flawed.

Because of both this and other factors, the draft IRA underestimates the risk of importation and establishment of known pests and pathogens. There is evidence to support the view that the measures proposed in the draft IRA would almost inevitably result in the introduction of such pests and pathogens into Australia. Measures proposed to be taken in New Zealand to prevent the export of pests and pathogens are demonstrably inadequate.

That is from the government department for the environment. It is one of the reasons that I have raised these types of concerns before. I have put the view to Biosecurity Australia—as I did with AQIS when it was charged with the responsibility of compiling draft risk analysis reports—that they should get all of
the people’s views and all of those views should be taken into account in the preparation of a draft risk analysis before it is put out into the public arena. This analysis should also contain recommendations on whether or not existing restrictions ought to be relaxed, whether restrictions for a particular imported product ought to be made or whether restrictions are less than, in this case, they ought be, which is what the department of the environment think. It is not only the department of the environment that think that; every other state department has this same view.

I find it utterly amazing that, in an area of such great importance to this country, we have such an ad hoc approach to the importation of products in respect of the quarantine measures we ought to have in place, or that we ought to design and put in place, to ensure that our industries and our natural environment are protected appropriately. It is simply not acceptable from my point of view, nor should it be from the government’s point of view, that you would allow a process to be so ad hoc. Criticisms are made, and I was dismayed at the Environment Australia submission where it says:

It is also understood that Biosecurity Australia has suggested in at least one public meeting that Environment Australia has given in-principle support to the measures contained in the Draft IRA. This represents a significant misrepresentation of the views of Environment Australia, which has not provided any environmental assessment advice on this issue and has only provided a list of indigenous species related to apples.

That is a very serious allegation by one department against another. If Biosecurity have done that in public meetings, they are misleading the public of this country in respect of this particular matter. I do not think any government should stand for that.

I assumed, as a result of the salmon inquiry report, that the government would have moved to change the processes whereby we as a country prepare a draft risk analysis that contains recommendations about the importation of certain products and goods and put it out into the public arena. We know that, in the salmon case, the draft risk analysis of 1994-95 went out into the public arena. The Canadians and Americans were provided with copies of it. The recommendations in the draft risk analysis were ultimately changed in the final risk analysis. We also know that the WTO was very critical of AQIS and the approach that they took. That AQIS could prepare a draft risk analysis with recommendations to relax restrictions, in that case, for the importation of salmon into Australia and then subsequently change the recommendations without one scrap of further scientific information or advice was the very thing that caused us to lose a very important case in respect of importation of overseas product into this country. And we are again confronting, almost seven years later, the same problem for the same reasons. I just find it downright amazing that the government has not moved to rectify these problems.

I just hope that, at the end of this inquiry, the lessons that will now have been learned twice will lead to decisions being taken to give effect to a new process that will ensure that we are never put in this position again. If we do not do something about it, we will continue to pose a threat to not only many of our agricultural industries but also the total environment of this country. I urge the government to give serious consideration to what I have said tonight.

Senate adjourned at 7.10 p.m.

DOCUMENTS
Tabling

The following documents were tabled by the Clerk:
