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Thursday, 8 March 2001

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

PETITIONS

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

Great Barrier Reef: Prawn Trawling

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

The Petition of the undersigned shows strong disappointment in the Australian Government’s inadequate protection of the Great Barrier Reef World Heritage Area from the destructive practices of prawn trawling. Prawn trawling destroys up to 10 tonnes of other reef life for every one tonne of prawns while clearfelling the sea floor. There are 11 million square kilometres of Australia’s ocean territory of which the reef represents just 350,000 square kilometres.

Your Petitioners ask that the Senate support the phasing out of all prawn trawling on the Great Barrier Reef World Heritage Area by the year 2005.

by Senator Bartlett (from 108 citizens).

National Youth Roundtable

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

The petition of the undersigned shows:

Young people in Australia, and their supporters, would like to draw to express their disappointment at the Government’s constant refusal to make public youth policy recommendations put forward by members of the National Youth Roundtable.

Since the defunding of AYPAC, Australia’s national youth peak advisory body, the National Youth Roundtable has become the primary source of fresh youth policy initiatives and is the only formal mechanism for young Australians to consult with the Government on issues of concern to them.

To date the Government has provided little evidence to demonstrate a genuine interest in considering the practical implementation of youth policy recommendations. This is despite the Roundtable members being told that they would be a ‘direct line to Government.’

Your Petitioners request that the Senate should make public the National Youth Roundtable Outcomes Packages for the 1999, 2000 and subsequent National Youth Roundtable programs and call on the Government to renew its commitment to implementing Youth Roundtable recommendations.

by Senator Lundy (from 117 citizens).

NOTICES

Presentation

Senator Chris Evans to move, on 26 March 2001:

That the Senate—

(a) notes that:

(i) the Minister for Aged Care has directed her department to withhold from the public critical information on the year 2000 allocations of aged care beds and grants, in particular the identities of those providers who won beds and grants, and

(ii) without this information there cannot be proper accountability for the allocation of $200 million of Commonwealth funding; and

(b) requires that there be laid on the table by the Minister representing the Minister for Aged Care (Senator Vanstone), no later than 3 pm on 27 March 2001, documents containing a full list of aged care places and grants allocated for the year 2000, including the name of the provider, the type of residential place allocated and the location of the places.

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

That the Senate—

(a) notes:

(i) the difference in petrol prices that motorists in New South Wales and Queensland pay, which in some areas is as high as 20 cents a litre, with the Queensland Government paying $360 million every year in subsidies to service stations to keep petrol prices down, and

(ii) that the New South Wales Government is paid $707 million in revenue replacements and out of that only $47 million is refunded to motorists by the Carr Labor Government;

(b) welcomes the abolition of the indexation of excise on petrol after Labor’s record of increasing excise 23 times over 13 years; and
(c) calls on the New South Wales State Government to at least match the Federal Government, which reduced petrol prices and abolished excise increases, by reducing petrol costs by 1.5 cents a litre.

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

That the provisions of the Parliamentary (Choice of Superannuation) Bill 2001 be referred to the Select Committee on Superannuation and Financial Services for inquiry and report by 23 May 2001.

Senator COONAN (New South Wales) (9.31 a.m.)—On behalf of the Standing Committee on Regulations and Ordinances I give notice that, at the giving of notices on the next day of sitting, I shall withdraw business of the Senate notice of motion No. 1 standing in my name for the next day of sitting for the disallowance of the Civil Aviation Amendment Order (No. 12) 2000 made under subregulation 84A(2) of the Civil Aviation Regulations. I seek leave to incorporate in Hansard the committee’s correspondence concerning this order.

Leave granted.

The document read as follows—

Civil Aviation Amendment Order (No. 12) 2000 made under subregulation 84A(2) of the Civil Aviation Regulations

2 November 2000
The Hon John Anderson MP
Minister for Transport and Regional Services
Parliament House
CANBERRA ACT 2600
Dear Minister
I refer to the Civil Aviation Amendment Order (No. 12) 2000 made under subregulation 84A(2) of the Civil Aviation Regulations 1988, that makes technical amendments to Part 20 to 95 of the Civil Aviation Orders.

The Committee notes that the primary instrument itself does not specify the legislative source from which it is made, although that source is stated in the Explanatory Statement. The Committee has previously received an undertaking that the legislative source or sources would be included in the Orders themselves and requests that instruments are in keeping with this undertaking.

The Explanatory Statement also notes that ‘obsolete and inappropriate references’ in the Civil Aviation Orders, which this Amendment Order removes, ‘may, in certain cases, preclude the provisions in which they occur from having a valid operation.’ No further explanation is provided as to whether problems have in fact arisen in the operation of any provisions and, if so, what steps (if any) have been taken to overcome the problems, and what the consequences of such problems have been. The Committee would appreciate your advice on this matter.

In view of the number and nature of instruments made by CASA, the Committee considers that it would be useful to invite relevant officers of CASA to brief the Committee on its instrument-making processes. If convenient, the Committee would be happy to meet with the officers at 8.30am on Thursday 9 November 2000 in Senate Committee Room 1S6.

Yours sincerely
Helen Coonan
Chair

Senator Helen Coonan
Chair
Senate Standing Committee on Regulations and Ordinances
Room SG 49
Parliament House
CANBERRA ACT 2600
6 March 2001
Dear Senator Coonan
Thank you for your letter of 2 November 2000 concerning the Civil Aviation Safety Authority’s (CASA’s) Civil Aviation Amendment Order (No. 12) 2000. I regret the delay in replying.

I am concerned that CASA has again not included the legislative source in the text of the Order itself. CASA regrets the omission, which it has advised was due to the particular circumstances surrounding the drafting, re-submission and signature of this Order. Nevertheless, in this instance, to cite all relevant heads of power would have been very cumbersome as the order amended practically every CAO on the statute books and therefore the Order would have needed to cite every regulation mentioned.

In order to ensure CASA’s strict compliance in future with the Committee’s preferred practice, I am issuing CASA a direction under my powers in section 12 (1) of the Civil Aviation Act 1988 to the effect that the legal authority of all future Orders should be identified in the text of an Order.

With regard to the Committee’s query concerning “obsolete and inappropriate references” in the Civil Aviation Orders (CAOs) that Civil Aviation Amendment Order No. 12 deletes, to avoid rendering provisions in the CAOs uncertain and af-
fecting their validity, CASA has provided the following examples and advice.

CAO 20.11 at sub paragraph 12.3 provided that a proficiency test must be conducted by, inter alia, “a departmental examiner”. There are no “departmental examiners” in CASA, and therefore it is unclear who may legally exercise this power. The provision appears to be out-of-date, in that it probably refers to former staff in the then Department of Civil Aviation.

CAO 20.22, in subsection 2.2, defined “delegate” to mean the “Assistant Regional Director (Flight Standards), Superintendent of Flying Operations or Senior Examiner of Airmen in a Regional Office of the former Department of Transport and Communications. These positions and the Department no longer exist.

CAO 29.5 provided at subparagraph 2.1 that “Pursuant to Air Navigation Regulation 126(2)(a) approval is given for dropping operations”. This Air Navigation Regulation was repealed in 1988. CASA considers it unsatisfactory for a current legislative instrument to textually refer to a repealed regulation as a source of power.

CASA has advised that these sorts of references are dispersed throughout the Orders. CASA was concerned that this situation was unsatisfactory from a legal and practical point of view. The amending Order therefore addresses this concern in order to ensure certainty in the application of the Orders, both from CASA’s perspective and from that of individuals required to comply with the Orders.

CASA would welcome an opportunity to brief the Committee on its instrument making process. I have asked CASA to contact the Secretariat of the Committee to arrange a suitable time to conduct the briefing.

I trust that this reply adequately addresses the issues the Committee has raised and that the disallowance motion, which I am informed was moved on 4 December 2000, can now be withdrawn.

Yours sincerely
John Anderson

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

That the Senate—

(a) notes that:

(i) McGauran (Altona) Pty Ltd applied to the Hobson’s Bay City Council for planning approval to increase the number of poker machines installed at the Millers Inn Hotel from 70 to 75, (ii) this approval was refused by the council, on the grounds that the proposal would ‘result in a negative social and economic impact on the community, and that there are sufficient opportunities for gaming within the city and there is no need for the proposal’,

(iii) Minister McGauran’s company was finally given authority, on appeal to the Victorian Civil and Administrative Tribunal in a decision on 21 November 2000, to install 5 more poker machines in the Millers Inn Hotel, bringing in an estimated extra revenue stream of $333 015 per year,

(iv) this application to the council was lodged by the Minister’s company on 10 April 2000, 7 days after Cabinet first considered the issue of interactive gambling and 39 days before the Minister publicly announced the ban on online gambling, and

(v) the Prime Minister (Mr Howard), during question time on 6 March 2001, offered to investigate any specific allegations of misconduct against Minister McGauran; and

(b) calls on Minister McGauran to fully detail the dealings of McGauran (Altona) Pty Ltd at the earliest opportunity.

Withdrawal

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (9.33 a.m.)—I withdraw general business notice of motion No. 831.

Presentation

Senator Greig to move, contingent on the Senate commencing business on 3 April 2001:

That so much of the standing orders be suspended as would prevent Senator Greig moving a motion to provide that the consideration of the Anti-Genocide Bill 1999 take precedence over all government and general business until proceedings on the bill are concluded.

BUSINESS

Government Business

Motion (by Senator Ian Campbell) agreed to:
That government business order of the day no. 5 (Veterans' Affairs Legislation Amendment (Application of Criminal Code) Bill 2000) be considered from 12.45 pm till not later than 2.00 pm today.

**General Business**

Motion (by Senator Ian Campbell) agreed to:

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

(a) 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

(b) consideration of government documents.

**NOTICES**

**Postponement**

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

That general business notice of motion no. 845, proposing an order for the production to the committee by the Minister representing the Minister for Finance and Administration (Senator Abetz) of certain documents, be postponed till the next day of sitting.

**GENETICALLY MODIFIED CROPS: TASMANIA**

**Return to Order**

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (9.36 a.m.)—Pursuant to an order made by the Senate yesterday under standing order 164, I table a response from Senator Vanstone on behalf of the Minister for Health and Aged Care.

**PRIME MINISTER AND CABINET LEGISLATION AMENDMENT (APPLICATION OF CRIMINAL CODE) BILL 2001**

**First Reading**

Motion (by Senator Ian Campbell) agreed to:

That the following bill be introduced: A Bill for an Act relating to the application of the Criminal Code to certain offences, and for other purposes

Motion (by Senator Ian Campbell) agreed to:

That the 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) (9.38 a.m.)—I table the explanatory memorandum relating to the bill 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 purpose of the Prime Minister and Cabinet Legislation (Application of Criminal Code) Bill 2001 is to amend certain offence provisions in the Prime Minister’s portfolio to harmonise them with Chapter 2 of the Criminal Code. Chapter 2 of the Criminal Code, contained in the Criminal Code Act 1995, establishes general principles of criminal responsibility and a standard approach to the formulation of Commonwealth criminal offences. It will govern the interpretation of all Commonwealth offence provisions from 15 December 2001. Many Commonwealth offence provisions pre-date the Criminal Code, and there is a possibility that the application of the Code will change their meaning and operation. As a result, each portfolio is introducing legislation to amend offence provisions in their legislation, where necessary, to harmonise them with the Code. In most cases, this will preserve the current meaning and operation of offences.

This Bill harmonises offence and related provisions in the Prime Minister’s portfolio in several ways. These amendments are largely of a technical nature.

First, the Bill makes it clear that the Criminal Code applies to offence provisions within the Prime Minister’s portfolio. Second, the Bill clarifies whether certain offences are strict liability offences – that is, an offence where the prosecution does not need to prove any fault on the part of the defendant. The Bill does not create any new strict liability offences. Third, the Bill clarifies those offences where, if the defendant has a reasonable excuse for doing something or failing to do something, the prosecution will fail. The Attorney-General’s Department has advised that there is some uncertainty
about whether this defence applies to certain offences as they are currently drafted. The Bill will remove that uncertainty by creating separate provisions stating that it is a defence to a charge if the defendant had a reasonable excuse for doing what he or she did.

Fourth, the Bill replaces inappropriate fault elements for certain offences. The Code envisages that offences will comprise three physical elements – conduct, circumstance or result – each of which attracts a corresponding fault element. Some provisions in the Prime Minister’s portfolio currently use inappropriate fault elements and the Bill removes and replaces these.

Fifth, the Bill removes parts of offences, such as attempt, which duplicate the general offence provisions in the Criminal Code.

Sixth, the Bill will transfer the legal burden of proving matters relating to two specific defences in the Royal Commissions Act 1902 to the prosecution. This will ensure conformity with the policy underlying the Code.

Finally, the Bill also makes certain changes consequential to the expected passage of the Law and Justice Legislation Amendment (Application of Criminal Code) Bill 2000, as well as renumbering some sections in the Ombudsman Act 1976 and removing gender specific language in the Royal Commissions Act 1902.

The harmonisation process will pay a substantial dividend by bringing greater consistency and clarity to Commonwealth criminal law.

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

BIODIESEL FUEL

Senator BROWN (Tasmania) (9.38 a.m.)—I ask that general business notice of motion No. 828 relating to biodiesel fuel be taken as a formal motion but, as Senator Allison has indicated, she has an amendment which I inform the Senate somewhat improves the motion and I am amenable to it.

The PRESIDENT—Is there any objection to the motion be taken as formal?

Senator Harradine—How can we not object when we do not know what the motion is going to be?

Senator Bourne—You still have to move the amendment by leave.

Senator Harradine—I am sorry, but I deny leave.

Senator BROWN—I think if Senator Allison acquaints the Senate with the amendment, then we could move on it.

The PRESIDENT—I take the point you are making, Senator Harradine.

Senator Allison—I seek leave to amend Senator Brown’s motion No. 828.

The PRESIDENT—is leave granted for Senator Allison to propose an amendment?

Senator Harradine—No.

The PRESIDENT—Leave is not granted. Senator Brown, you may move your motion.

Senator BROWN—I will move the motion and I can inform the Senate—

Senator Harradine—I rise on a point of order. I refused leave that the motion be taken as formal.

Senator Faulkner—On the point of order: I hear what Senator Harradine is saying but, as I heard the interplay in the chamber, Senator Harradine refused leave to allow Senator Allison to amend Senator Brown’s motion. It is perfectly competent for Senator Harradine also to refuse leave if he wants to, but I think that Senator Harradine on this occasion has jumped in front of himself. As I heard you, Senator Harradine, what occurred is that you refused Senator Allison leave to amend Senator Brown’s motion. Any senator can refuse leave, and Senator Harradine did so. At this stage, I think it would be competent, Madam President, for the question of leave on formality now to be the next step. I believe that Senator Harradine’s point of order is without substance.

Senator Harradine—I know what I meant to do. I was not clear on what was being done. I thought I was, but once Senator Brown had mentioned that Senator Allison sought to amend, I got a bit doubtful about it immediately, because I was not aware of any amendment being proposed. There was no notice given around to the office. Really, the Leader of the Opposition should realise that he is setting himself up. There is a precedent here that we should not breach. I think if we want to have formal motions and want the
courtesy of other senators, then let us have a look at them and give us time, please.

Senator Faulkner—On the point of order, let us be clear. There is absolutely no doubt that any senator in the chamber—Senator Harradine or anyone else—can refuse leave on formality. There is no doubt that it was Senator Harradine’s clear intention to do so. The only point I make, as I understood it—and I may be wrong, but I do not think so, Senator Harradine—is that you, Madam President, given that the call had been given to Senator Allison, asked the Senate whether leave would be granted for Senator Allison to amend the motion. That is point I am making, Senator Harradine. I am not questioning at all your right to refuse formality—of course, I agree with you completely. I understand where Senator Harradine is coming from; I just think the situation, as he interpreted it, is in fact not correct. I believe that the question that you, Madam President, sought leave from the Senate for was whether Senator Allison could move the amendment. It is clear that Senator Harradine would not grant leave for that or formality, but I believe we are getting bogged down in a very minor technicality. I understand where everyone is coming from. I am not going to make any further comment on this important matter!

The PRESIDENT—I certainly understood that formality had been agreed to, and then we proceeded to get leave for Senator Allison to move her amendment. I did not hear anyone refuse formality initially.

Senator Ian Campbell—On a point of order: Madam President, I thought that I had actually heard Senator Harradine say words to the effect of ‘I have no alternative but to refuse formality because I have not seen the amendment.’

The PRESIDENT—I thought that was further on.

Senator Ian Campbell—Regardless of that, let us move on.

The PRESIDENT—The position now is that Senator Brown may move his motion.

Senator BROWN—I move:

That the Senate, aware of the high cost of fuel, the continued availability of petroleum from a troubled middle-east, the necessity to employ Australians in growth industries, and the need to reduce Greenhouse emissions, calls on the Government to:

(a) examine the costs and benefits of:
   (i) amending the Excise Tariff Act to grant biodiesel fuel the same excise-free status as fuel ethanol,
   (ii) giving the biodiesel fuel industry the same start-up status as the ethanol industry had with a new ‘Biodiesel Bounty Act’, and
   (iii) granting biodiesel the status of an alternative fuel under the Diesel and Alternative Fuels Grant Scheme Act; and

(b) report to the Senate on its findings before 4 April 2001.

Question resolved in the affirmative.

INTERNATIONAL DAY FOR THE ELIMINATION OF RACIAL DISCRIMINATION

Motion (by Senator Bourne) agreed to:

That the Senate—

(a) notes that:
   (i) the International Day for the Elimination of Racial Discrimination is observed annually on 21 March,
   (ii) the reason it is observed annually on 21 March is because on that day in 1960, police opened fire and killed 69 people who were protesting against the apartheid system at a peaceful demonstration in Sharpeville, South Africa;

(b) acknowledges that the horrors of racism, racial discrimination, xenophobia and ethnic cleansing are problems which have not gone away, but which persist in many parts of the world today, such that racism remains one of the most significant human rights challenges confronting society;

(c) commends the Office of the United Nations High Commissioner for Human Rights for its efforts in preparing for this year’s World Conference Against Racism and for its devotion to the promotion of equality and non-discrimination; and

(d) urges the international community to confront the problem of racism and to redouble its efforts in seeking to
eliminate all forms of racial discrimination in accordance with the United Nations Charter as well as the principles of the International Convention on the Elimination of All Forms of Racial Discrimination.

AUSTRALIAN WOMEN IN AGRICULTURE

Motion (by Senator Bourne, at the request of Senator Woodley) agreed to:

That the Senate—

(a) notes, on International Women’s Day, the contribution of the organisation, Australian Women in Agriculture, to the well-being of agricultural communities;

(b) acknowledges that rural and regional Australia would cease to function without the contribution of women to their communities; and

(c) calls on the Government to continue funding this organisation as a high priority in the May 2001 Budget.

COMMITTEES

Electoral Matters Committee

Meetings

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

That the Joint Standing Committee on Electoral Matters be authorised to hold two public meetings during the sittings of the Senate on 27 March 2001 and 3 April 2001, from 5 pm, to take evidence for the committee’s inquiry into the integrity of the electoral roll.

SOUTH AFRICA: HEALTH CARE

Senator O’BRIEN (Tasmania) (9.46 a.m.)—On behalf of Senator Cook, I ask that general business notice of motion No. 848, relating to the health situation in South Africa, be taken as a formal motion.

The PRESIDENT—Is there any objection to this motion being taken as formal? There being no objection, I call Senator O’Brien.

Senator O’BRIEN—I seek leave to incorporate a statement in Hansard before moving the motion.

Leave granted.

The statement read as follows—

This motion reflects the Opposition’s longstanding support, for international efforts to combat the devastating effects of HIV/AIDS.

This is a global problem. It is estimated that 36 million people throughout the world have HIV/AIDS. More than 10 million of these are children under five.

The burden of dealing with the costs associated with addressing HIV/AIDS, and other infectious diseases, falls most heavily on poor countries. 90% of HIV/AIDS sufferers live in developing countries, most of them in Africa. In South Africa the situation is frightening: 1 in 4 pregnant women in that country are estimated to be HIV positive.

Drugs are increasingly available to treat HIV/AIDS. But their cost is not within the reach of the overwhelming majority of sufferers. Developing country governments cannot deliver to their citizens the health care they would like to because of the prohibitive cost of medicines.

In response to this issue, the South African Parliament has passed the Medicines and Related Substances Control Amendment Act. Simply put, this Act provides the South African Government with the means to import patented drugs from a patent holder or licensee anywhere in the world if the price of such drugs is cheaper than that offered by the South African supplier. It also provides, in certain circumstances, for the substitution of generics for patented drugs. Upon implementation, the Act should allow the South African Government and South African people to have access to the necessary drugs to combat the HIV/AIDS crisis.

I would note here that the practice of accessing patented drugs from patent or license holders in third countries, known as parallel importation, is adopted in relation to a range of goods by many countries, including Australia. It does not contravene the relevant WTO agreement on intellectual property.

Unfortunately, the ability of the South African Government to implement this Act of Parliament and address this most pressing of public health problems is being undermined by the international pharmaceutical companies, whose challenge to the law began to be heard in the South African High Court this week. The pharmaceutical companies’ legal effort has already delayed implementation of the law for years, and only yesterday we heard that the companies have immediately sought a four-month suspension of the case, which will further delay resolution of the issue.
The legal detail of this matter is for the South African Court and this motion makes no comment on that process. But this issue should not be in a court. The pharmaceutical companies should not be standing in the way of the South African Government’s right to address a major public health issue.

We call on the companies to drop their legal action and instead to get down to seriously negotiating with developing country governments so that crucial medicines are affordable and available to those who so desperately need them.

Senator O’BRIEN—I move the motion standing in the name of Senator Cook:

That the Senate—

(a) notes the perilous human health situation in South Africa, and elsewhere in Africa, and the right of the Government of South Africa to take action to make health care more accessible to its citizens;

(b) supports the South African Government in its effort to provide much needed medicines at affordable prices to poor South Africans though the Medicines and Related Substances Control Amendment Act passed by the South African Parliament in 1997;

(c) further notes that the South African Government’s right to take action in matters of national emergency and to source drugs from legitimate suppliers, so-called parallel importation, is not precluded by the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights; and

(d) calls upon the major pharmaceutical companies and the Pharmaceutical Manufacturing Association to end their action in the South African High Court against the legitimate actions of the South African Government to deal with a major health crisis.

Question resolved in the affirmative.

COMMITTEES

Publications Committee

Report

Senator CALVERT (Tasmania) (9.46 a.m.)—On behalf of Senator Lightfoot, I present the 23rd report of the Publications Committee.

Ordered that the report be adopted.

Economics Legislation Committee

Report

Senator CALVERT (Tasmania) (9.46 a.m.)—On behalf of the chair of the Economics Legislation Committee, I present the report of the committee on its examination of annual reports tabled by 31 October 2000.

Ordered that the report be printed.

PIG INDUSTRY 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) (9.47 a.m.)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

The Pig Industry Bill 2000 provides for the Australian Pork Corporation (APC), and the Pig Research and Development Corporation (PRDC) to be wound up and for an industry owned company to undertake the industry marketing and promotion, and R&D functions.

In addition, the industry company will be responsible for the strategic planning and industry policy development functions previously the responsibility of the Pork Council of Australia, the industry’s grower representative body.

These new arrangements will allow a more coordinated and commercial approach to the development of industry policy and delivery of services. Importantly it will ensure, for the first time that industry levy payers have direct influence and involvement in their industry body ensuring their levies are applied to best effect.

The progressive opening of the domestic market to pork imports in recent years has put pressure on the industry to become more internationally competitive and to develop niche export markets.
The industry now sees that if it is to succeed in the face of stiff international competition, its industry structure must be as competitive as its producers to enable it to meet evolving market challenges.

This restructure proposal is an industry initiative and comes to the government following extensive consultation and with an unprecedented high level of industry support.

The industry has already established and incorporated its new industry services company; a company limited by guarantee and operating under Corporation's Law. The company is known as Australian Pork Limited (APL).

The new structure

This Pork Industry Bill 2000 enables the Minister for Agriculture, Fisheries and Forestry to declare APL as the industry services body. The Minister may enter into a contract with the industry services body detailing the arrangements under which it will manage and administer industry levies collected by the Commonwealth.

The Commonwealth will continue to match R&D funds provided by the pork industry up to 0.5 percent of the gross value of production, as applies to other rural industries. In 1999-2000 the Commonwealth’s matching contribution for pork industry R&D was $3.6 million.

The integration of the policy development and strategic planning functions with the marketing and R&D services will provide the opportunity for full exploitation of synergies between these activities.

Under the arrangements, all levy payers will be eligible to become registered members of APL, and therefore will be able to have a direct input into the management and application of their statutory levies. Registered levy payers will be able to exert their influence through voting rights, appointment of board members, and input to the company’s policy development and planning activities.

Accountability

The Bill provides for the transfer of assets and liabilities of the two statutory corporations to the industry owned company. The detail of those arrangements will be included in the contract which will impose certain obligations and accountability requirements on the industry services body. In addition, details of the new industry services body’s accountability arrangements to its members and to the Commonwealth will be outlined in its company constitution.

While the model allows the industry to have a greater say in the management of its affairs, there will also be increased responsibilities. The distancing of government’s direct involvement means the industry accepts responsibility for its activities and appreciates there is no automatic recourse to government assistance when the going gets tough. In short, more than ever before, the industry will be responsible for planning its own future, strategically seeking priority outcomes, and managing for risk.

The package contains a number of accountability arrangements which will be detailed in the company constitution and the contract with the Commonwealth. These are:

- comprehensive planning and reporting requirements with copies of plans and reports made available to the Minister for Agriculture, Fisheries and Forestry;
- regular performance reviews to assess the company’s efficiency and effectiveness in meeting planned priorities;
- for the Chair of the industry company to meet with the Minister for Agriculture, Fisheries and Forestry or his nominated delegate on a regular basis to discuss industry issues and government’s priorities for R&D;
- a requirement for a mix of producer and specialist skills based directors on the board of the company including a specialist in corporate governance.

If the company changes its constitution in a way considered unacceptable by government, becomes insolvent, or fails to comply with the legislation or contract, the Minister for Agriculture, Fisheries and Forestry has the ability to temporarily suspend or terminate the payment of statutory levies to the company or rescind his declaration of APL being the industry services body.

Transition and establishment

The net assets to be transferred to APL are valued at around $8 million and primarily comprise reserves of statutory levies held by the statutory authorities on behalf of levy payers for marketing and R&D programs.

In addition the bill provides for recognition of accrued entitlements of employees of the statutory authorities who are transferring to the industry services body. These entitlements relate to annual and long service leave, maternity leave, sick leave, continuity of service and other employment conditions.

Anticipated benefits

There are a number of strengths associated with this new industry structure. These are to:

- provide an appropriate vehicle to promote a through-chain, demand driven, commercial focus for the provision of industry services, which will facilitate the building of strong linkages from producer to consumer;
• improve the industry’s competitiveness against imports;
• underpin the industry’s achievements to date and in the latter stages of implementation of the Commonwealth’s $24 million industry restructure strategy, and specifically to promote international competitiveness and export development;
• remove duplication and ambiguity about responsibilities between the three industry organisations which cause confusion for industry, government and trading partners;
• enable the industry organisations to be more flexible and responsive to the changing operating environment and priorities of members; and
• establish a single unified, professional and balanced board with the opportunity and capability to strategically develop and implement industry service arrangements.

This Bill paves the way forward for the pork industry to look to the future with a more commercially driven, internationally focused and flexible approach. It will now have the capability to respond quickly, effectively, and efficiently to emerging industry challenges. Ultimately this will mean consumers’ high expectations of quality Australian pork being consistently satisfied.

I commend the industry on how it has responded to recent challenges. The industry’s unity in bringing this proposal to government is another example of a maturing industry looking to secure its future in the global market. It provides me with great pleasure to be working with the pork industry in implementing these arrangements and I am particularly impressed with the extensive levels of consultation both throughout the industry, with all stakeholders, and with government.

This bill and the framework that hangs from it creates a turning point for the management of industry affairs, and for the potential for industry growth and development. It will establish a solid foundation for the industry to continue to challenge and secure global opportunities in the pork market.

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

TRADE PRACTICES AMENDMENT BILL (No. 1) 2000

In Committee

Consideration resumed from 7 March.

The CHAIRMAN—The committee is considering the Trade Practices Amendment Bill (No. 1) 2000 and an amendment moved on behalf of the Australian Democrats by Senator Murray on sheet 2152. The question is that the amendment be agreed to.

Senator SCHACHT (South Australia) (9.48 a.m.)—As I indicated at the end of my speech during the second reading debate, the opposition will not be supporting the amendment moved by Senator Murray on behalf of the Democrats. The amendment covers two significant and substantial issues under trade practices law. It is broader than the issue of small business; it really is about fundamental issues of trade practices law. The first part of Senator Murray’s amendment is to amend section 46 of the Trade Practices Act to reverse the onus of proof. The other major amendment is to section 50 of the Trade Practices Act concerning ‘action where ownership situation has effect of substantially lessening competition’. Senator Murray has moved that there be a standing power of divestiture, as I understand it.

The opposition and the shadow minister for small business have discussed this matter and believe that both these issues have very broad ramifications that are beyond the issue of the retail sector, and I will comment in some detail on the merits of the proposals. I think the main reason this bill has turned up is the matter of secondary boycotts; it is not to do with the retailing sector at all. This is a political stunt to have a brawl about secondary boycotts, which I think even Senator Murray has acknowledged. Even if this were a genuine bill dealing with small business issues, the opposition believes these issues of the onus of proof being reversed and having a standing power of divestiture have much wider ramifications than just the retailing industry. While we understand the motive, we believe that both of those issues should be dealt with by a further committee of inquiry, preferably the Senate Legal and Constitutional Committee rather than a select committee on retailing.

I have served on both of those committees in the past. Senator Murray, back in the halcyon days when my colleague Barney Cooney was the chair of one of those committees, we did look at trade practices law, and in a minority report Senator Spindler and I were the only two members of the committee who recommended that there be a standing power of divestiture in the Trade Practices Act. I realise that I was probably not a ma-
jority in the Labor Party on that at that time—

Senator Murray—it wouldn’t be the first time either.

Senator SCHACHT—it would not be the first time I have not had a majority position in the Labor Party on a number of issues. I argued for that at the time, and I appreciate the arguments now that Senator Murray has put. But to have this bill—which is a political stunt basically by the government—suddenly and significantly change trade practices law is not the way to achieve the best outcome. I still believe personally that a permanent standing power of divestiture should be available. At the time I supported it. America has had that standing power of divestiture under the Sherman antitrust laws for nearly 100 years and I think it has only been used about three times.

Senator Cooney—Standard Oil was the big one.

Senator SCHACHT—the big one of course was Rockefeller and Standard Oil. As Rockefeller himself said, he never broke the law but, because of him, a lot of new law was written, which I think is a very apt description. But because it is there, the regulatory authority has the power to jawbone a lot of big business into being more reasonable in their activities. That is why I have always supported having the power, though I thought it would be seldom used. The fact that it was there would give the power to the regulatory authority. Some people have said in the last decade that giving Allan Fels more power for him to be able to seek publicity would not be a good idea, but we should not confuse the principles of trade practices law with who happens to be the present chairman of the ACCC or the old Trade Practices Commission.

In the Australian context, what I find really significant is that the big end of town, which argues the strongest for competition policy, argues most strongly against the power of the ACCC to have permanent divestiture. It is all very well for them to use the argument of competition policy to get stuck into publicly owned monopolies and regulation, but when you get to their position, they are the last people who want to have those powers imposed on them. As both a minister and a backbencher, I have had some involvement with the regulatory nightmare of the petroleum industry in this country. It is a vertically integrated operation, with four major petrol companies running exploration, extraction, refining, distribution and retailing—it is totally integrated, total control. If you suggest to them that there should be a power of divestiture, that there should be true competition and that retailing should be separate from refining and distribution, they see this as the most dreadful thing because they say it will be the end of investment, there will be no oil refining left in Australia and the consumer will lose. Whenever a producer of this size talks about consumer interests, it is a contradiction in terms because their interests are not the same.

If there were a permanent power of divestiture in the Trade Practices Act, I think you may well be able to get a better outcome in forcing the four major petrol companies to reach a better understanding on the retailing issues in this country. I support my colleague Mr Fitzgibbon’s private member’s bill, which has just been reported on and which proposes that all franchisees who have signed with a particular petroleum company a contract to be a franchisee for several years have the right, notwithstanding that agreement, to buy 50 per cent of their petrol wholesale from any petrol company. This would give them the power to set their own prices without relying on the rebates that the company gives them at present. Of course, the petroleum companies have said this is a dreadful suggestion. But even Allan Fels in the inquiry said this would improve competition.

The Business Council of Australia and the National Competition Council, chaired by Graeme Samuel, former chairman of the Australian Chamber of Commerce and Industry, are always talking about the advantages of competition policy but, when it comes to making changes to the law that impose better competition and that affect the big end of town, every excuse you can think of is put up to stop it. Sooner or later the
Australian parliament and Australian governments are going to have to work out which side of the fence they are really on vis-a-vis competition policy. You cannot have competition policy only to the advantage of big business and let them have their own exemptions. If they are fair dinkum about competition policy, the Business Council of Australia would argue that there should be structural separation within the petroleum industry between retail and distribution and production.

The power of divestiture in the retailing industry would not automatically resolve the problem that in some parts of the retail grocery market two major companies control 70 per cent of the Australian market. I mentioned in my speech in the second reading debate some of the contradictory issues that have to be dealt with. I am a devotee, and have been in all my time in this parliament, of having the power of divestiture written into the Trade Practices Act. This is not because I am an automatic devotee of unlimited and unfettered competition. I believe the marketplace has to be regulated and from time to time the government and the parliament have to intervene in the national interest. But I do believe that the broader economy would be better off if the regulator had the power to say to somebody, ’70 per cent is too much control of the market; that is a monopoly or near monopoly and your influence is too pervasive and too powerful.’ There may, of course, be national interests where that is unavoidable, but then the parliament or the government will publicly and transparently give that exemption—and I think that is a reasonable outcome. I would rather that power be left with the parliament, giving it to the government of the day, than it be left with a regulator.

In 1996 the Howard government made a decision on regulation to give full independence to the Reserve Bank to set interest rates—and what did we see yesterday? The first time it turns against the government, the Prime Minister bags the Reserve Bank—’They made a mistake.’ The problem is that you made the mistake by giving them total independence. I have never accepted that view. I think the Reserve Bank should consult and discuss with the government of the day what interest rate policy and monetary policy should be. But no, this was a policy issue at the 1996 election: we will give independence to the Reserve Bank. With the first decision that puts the government in political trouble, the Prime Minister and the Treasurer bag the Reserve Bank. It is their own creation. The government should not abuse the Reserve Bank; it should take the baseball bat and hit itself over the head, as this is a problem of its own making.

The other issue is the reversing of the onus of proof. Again I, personally, would have a sympathetic view that in a number of circumstances this would be a reasonable thing to do. But I have to accept, after my short time on the Senate Legal and Constitutional Committee and being involved in other committee work in this parliament, that that is a significant and principled decision that has long and wide effects. To Senator Murray, on behalf of the opposition, I say: I personally appreciate your motives for putting these up, but I think these matters should go to a proper standing committee of inquiry, probably the Senate Legal and Constitutional Committee. Perhaps you would be willing to propose that. Of course, my colleague the shadow minister for small business—and also other shadow ministers out of interest—will watch closely to see whether this is a reasonable matter to refer to a Senate inquiry for report back over the next 12 months. There will be a lot of interest about this on all sides of the community, and there should be a proper debate about it. Then when a proposal on legislation comes to the parliament, people know where the debate has been and what all the arguments are.

I have to say that passing Senator Murray’s amendments would create a lot of misunderstanding. Unfortunately, those who are opposed to what Senator Murray is trying to achieve will use their own distortion to claim that it is the end of everything from Christianity, motherhood, fatherhood and all other good things; they will probably even say that it is the end of full civilisation as we know it. Therefore, on this occasion, Senator Murray, the opposition will be opposing your amendment, but we indicate that we are not
unsympathetic for these matters to be put to an appropriate committee—not to be pigeonholed but as part of the public debate to come back with recommendations. Hopefully, in 12, 15 or 18 months time, a Beazley Labor government will be in a position to consider and put the debate to the Australian parliament and public.

Senator COONEY (Victoria) (10.03 a.m.)—I would use this opportunity of acknowledging Senator Murray’s dedication to, and work for, the civil life that we want in this community. I heard him yesterday saying that he had great difficulty in proposing that the onus of proof be reversed—and I can assure people listening to this debate that that would be so.

I want to make the point that here the reversal of the onus of proof has been taken against corporations. Corporations are in a different position to individuals, to a certain extent at least. I do not want to be taken to be saying that there ought to be a reversal of the onus of proof here. But I think, in fairness to Senator Murray, it can be said that a corporation cannot be sent to jail and its reputation, although important, is not as important as that of a living person. So there is a difference that can be made between living people and corporations. Therefore, I would just say to Senator Murray that I understand that, in putting this forward, he is cognisant of that fact, and I am sure that he would be reluctant to see the reversal of an onus of proof in respect of an individual.

Another interesting thing is that the proposal that there be a reversal of the onus of proof will be defeated in this debate. In that context, we ought to look at section 45DC, which is in the same part of this particular act. In that case, there is a reversal of the onus of proof; it is a reversal of the onus of proof against unions—or employee organisations, as it is called there. It is passing strange that parliament is happy enough to have a reversal of onus of proof in respect of employee organisations but not in respect of corporations. Senator Brandis said yesterday that he is the only one to have pressed a successful case under section 46.

So, Senator Murray, all of the material you have put forward makes a lot of sense. But perhaps the parliamentary secretary can explain why there is a reversal of the onus of proof in 45DC, under which, may I say, successful actions are taken, whereas there is no reversal of the onus of proof in 46, where corporations are concerned, when that section has apparently been of little use, because there has been only one successful case over the years. So, perhaps the parliamentary secretary could explain why there has been only one successful action under 46 throughout the time that this act has been operative.

Senator LUDWIG (Queensland) (10.07 a.m.)—I rise to support Senator Schacht’s fine speech on the Trade Practices Amendment Bill (No. 1) 2000, particularly in relation to amendments which have been moved by the Democrats to section 46 and section 50AA. I can understand the direction in which Senator Murray is going on reversing the onus of proof; however, I do not agree with the haste with which he intends to pursue it. It may be a matter that has been bubbling around for some time, but I would suggest that a cautious approach is best in some of these situations where we intend to take away significant legal power from persons and turn it around.

To give both small business and large corporations—the big end of town—the ability to form a view and provide advice to the Senate through a legal and constitutional committee would be, in my view, an appropriate way of going about it rather than bringing in and amending this bill. I heard the speeches during the second reading debate. A report from the Australian Law Reform Commission in 1994 and other reports provided an update to the Trade Practices Amendment Bill which, some have suggested, is long overdue. To then put in 1A and 1B might be a little hasty. It does sometimes create unintended consequences that are usually unforeseen. Although that is quite a hackneyed phrase, the problem that can jump out is in section 46, where the onus in that area is sought to be reversed.

The general scheme of part 4 is to prohibit certain forms of conduct, either absolutely or per se, if conduct has certain economic con-
sequences. It would also encourage private enforcement of the act by the provisions of private remedies while at the same time establishing a policing body, the ACCC, with the power to seek penalties and other remedies. It also allows certain forms of prohibited conduct to be engaged in if, on balance, the public benefit outweighs the anticompetitive detriment, and it establishes the ACCC and a tribunal to determine certain forms. That is the framework within the restrictive trade practices area. It concentrates on anticompetitive conduct and misuse of market power, and perhaps the area of most interest is the provisions themselves, leaving aside the definitions of what may be considered ‘a market’ or what may be considered ‘lessening competition’. Both of these terms are significantly talked about and judicially decided.

I will go to the actual provisions. There are exclusion provisions and anticompetitive agreements—in other words, section 45(2)(a). You have also got the structure of section 45, which talks about contract arrangements and understandings, and then it leads into some of the problems in section 45. The reason I am prefacing my remarks with section 45 before going into section 46 is that problems exist in section 45, such as the problems of establishing collusion, what may be meant by ‘conscious parallelism’ and ‘price leadership’, what competition situation exists, and the like. So there are problems with terms even in that area, let alone jumping to section 46 and saying, ‘There is a problem in section 46, and the way to fix it is to reverse the onus of proof.’ I do not know whether that will assist, because section 46 relies on section 45 to the extent of determining the market—whether a contract arrangement understanding exists—and of course the issue of a substantial degree of market power has to be determined as well. You also have section 45A, which ostensibly goes to price fixing, and of course there is a problem with the characterising of what price fixing is.

So we have from Senator Murray a pulling out of section 46, saying that there is a significant problem with that; whereas I have been characterising it as interrelated with other sections within the restrictive trade practices area. There are also some problems that the courts have considered over time and, for better or worse, they have decided how those matters should be determined. So section 46 does not stand on its own. It rests within the whole area of restrictive trade practices and also relies on other provisions to come to a view about how section 46 would apply in a particular case.

If conduct is within section 46—which is ostensibly referred to as taking advantage of market power—it may also be caught within sections 45, 45B, 47 or 50, but it then may not contravene those sections, because of an authorisation or because, in the case of exclusive dealing, there has been notification under section 93 so that the conduct will not contravene section 46 either. Of course, then you have the defences for section 46 within section 46(6). I have identified that there is considerable overlap, but you can take section 46 out of that and put perhaps a different spin on how it would be seen; in other words, raise it above that general area and say, ‘We will determine it by revering the onus of proof.’

There could be an argument that the onus of proof could be reversed in all the other provisions that I have mentioned. I suspect it would surprise the government if you were to take the opportunity to make that amendment today. But what I suggest is what I started out with and what Senator Schacht has recommended: that we look at the whole of the provision of 46, and perhaps the reference could be a little wider to stretch the reversal of the onus of proof to the other sections that I have mentioned. As I understand it, section 50AA has further provisions within the Trade Practices Act dealing with divestiture. This has been done on the run, Senator Murray, between yesterday and tonight, but could I take you to section 80(1AAA). It deals with section 50A injunctions. It says:

Subject to subsection (1B), a person other than the Minister or the Commission may not apply for an injunction on the grounds of:

(a) a person’s actual, attempted or proposed contravention of section 50A; or
(b) a person’s actual or proposed involvement in a contravention of section 50A.

So there is a further tying back to section 50A. I will go to that provision if time allows. It talks about acquisitions that occur outside of Australia. Above that, section 80(1A) talks about certain injunctions limited to the commission, which then goes to section 50. So it seems you intend to put another section 50AA in without a corresponding paragraph in section 80 that will deal with who can actually apply for injunctions in that area. I might be wrong about that. Maybe you can help me overcome some of the difficulty that I have. Do you say that there should not be the ability for only the commission or the minister to have an injunction in that area, or do you say that they can take representative action without section 80 or its equivalent, which seems to pervade that section 50 to 50A area?

Of course, I am not suggesting that you quickly draft a new section 80; I am simply pointing out that when you start making amendments in 50AA—and I use this hackneyed phrase—some unintended consequences may arise. Perhaps the government could help me explain whether I have hit on to one or not in that the ability to have injunctions would then be unlimited. The amendments to the Trade Practices Act in the bill, which hopefully will be passed, will create the ability to have representative actions. I am not sure whether that is your intended action. It would then sit with the other areas of 50 and 50A in a difficult manner—or it may not. Perhaps the government could help me go through that issue in a little bit more detail if we have time today.

Going to the more technical aspects of the bill, I am troubled by the matter of section 46 in that we have lost our cousins across the Tasman in this. Section 46A is ‘Misuse of market power—corporation with substantial degree of power in trans-Tasman market’. I do not know whether you are telling me that there is no likelihood of that occurring over in the Tasman and, therefore, that we do not need to reverse the onus of proof in that area. I think more highly of my New Zealand comrades than perhaps you do, Senator Murray, but I may have misread that—I am not sure. Are you suggesting that, in terms of the trans-Tasman area, we will just not trouble them with reversing the onus? Perhaps there are no large corporations across the way. I do not know, but perhaps Senator Murray could assist me by explaining that. Again, I am not inviting another amendment to fix that; I am simply pointing to the issues that might trouble me. Perhaps the government could also assist me in that, I might be wrong. Senator Murray might assist me. As I said, I have had only very limited time to look at this amongst the other committee work that I have done between yesterday and today.

Without going into any more detail, I hope I have been able to make the point that I started out with: sometimes we start off with some good ideas, and I think some of the good ideas contained within the amendment may have been around for some time. I know Senator Cooney has been praying over this area for some time since the Cooney committee report. I know there was the Griffith committee prior to that, and I know that the amendments from the ALRC in 1994 have been around for some time to improve the area of restrictive trade practices. Without speaking for Senator McKiernan or Senator Coonan, I am sure that Senator Murray might assist me by explaining that. Again, I am not inviting another amendment to fix that; I am simply pointing to the issues that might trouble me. Perhaps the government could help me go through that issue in a little bit more detail if we have time today.

But I say what I started off saying: the types of amendments you have put forward trouble me. They trouble me to the extent that I have not been able to look at what the unintended consequences may be. But I think that, with proper and appropriate scrutiny, we might be able to get to a position that is more amenable to amendments to the Trade Practices Act.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (10.22 a.m.)—I will respond briefly. I think the arguments against Senator Murray’s amendment have already been put well by the opposition. We will not be supporting the amendment for
similar reasons. I regard Senator Schacht’s suggestion of these matters being referred to a committee for more detailed consideration as being a constructive one, because the sorts of questions that Senator Ludwig is asking are ones that we are asking as well. I cannot speak on behalf of Minister Hockey or the government and say that we would welcome this inquiry and support it with ‘hear, hear’ but I least say that we certainly would not stand in the way. It is a constructive suggestion, and that is the appropriate way to handle it. In a way, I think Senator Ludwig’s series of quite challenging questions helped to make Senator Schacht’s case.

Senator Cooney raised the issue of successful actions under section 46. He did slightly misread, I believe, what Senator Brandis said yesterday when he indicated that Senator Brandis had run the only successful prosecution under section 46. In fact, what Senator Brandis said—and I am sure Senator Cooney will nod in acknowledgment when I refresh his memory—was that it was the only successful action against a major oil company under section 46. I am informed there were a number of successful cases under section 46. You may recall that Senator Brandis did indeed refer to successful actions in the last few days that were widely publicised. I think Boral and Rural Press Ltd were the two very recent successful actions and I am assured there is a series of others. If Senator Cooney wanted to press me on it and create work for the department I could get him a thorough list, but I am sure he would not want to put our already very busy staff to more unnecessary work.

Senator Cooney—I accept what Senator Campbell says.

Senator IAN CAMPBELL—Having said that, we will be voting to defeat this amendment. As I said, we would be happy to see those and any other proposals for further reform referred to the appropriate committee at the right time.

Senator MURRAY (Western Australia) (10.24 a.m.)—To conclude this debate on my amendment, I first want to compliment the participants in this debate. It is always a pleasure to have critical analysis in the positive sense of seeking to examine intent and content with a sympathetic eye but, nevertheless, with a very intelligent understanding of the overall needs that are being expressed by the amendment. To begin with, I want to thank Senator Cooney for his kind words to me. Senator Cooney and I stand shoulder to shoulder with a number of senators in this place as continuing a tradition, which predates both of us and which will continue after us, of seeking to defend the civil liberties which are important in our society. It does not mean to say that at times we are not critical of each other. But Senator Cooney is right: we have a common bond, and I appreciate your acknowledgment of that. Apart from my affection for you, I have a common interest in areas which interest you.

Turning to some of the arguments, I heard words used which implied a possible lack of thought in the development of this amendment which I do not think was intended. They were just expressions. I heard Senator Schacht say ‘suddenly we have this amendment’ and Senator Ludwig spoke about doing it ‘cold and in haste’. I think Senator Ludwig’s point really was that, if we are to attend to these particular issues, then they do need detailed examination by senators in committee and with the assistance of expert advice. I think that was also the intent of Senator Schacht’s approach. I welcome that and I will think about whether in due course I should construct a reference and show it to the government and the opposition and see where we go with it. I for one would not like to crowd this year more. It is a very political year, and there is a lot of work already on our plates. But as a medium-term project—by that I mean a year, as you outlined, Senator Schacht—it is a good idea.

It is important to recognise, in regard to my recommendations under section 50AA, as Senator Schacht rightly acknowledges—I acknowledge with some respect his long campaigning in this area—that there is a long history in the intellectual sense, in the policy sense and in the principle sense to this issue of a divestiture of power. It is well established in foreign jurisdictions and it has been debated in Australia for three decades, I would think, so it has a long history.

Senator MURRAY—That is right, so I am right about the three decades. Its more recent genesis was the Fair market or market failure? A review of Australia's retailing sector report and the inquiry by the Joint Select Committee on the Retailing Sector in August 1999. It is important to recognise that my amendment directly flows from my minority report. Of course, I have discussed it at some length with all the parties that were involved with that matter, and subsequently.

In response to Senator Ludwig’s remarks, I recognise some of the connections you have outlined from section 46 to section 45. Frankly, on the run—to use your phrase—I am not equipped to respond right now to all your remarks, and since we are going to lose the amendment it would probably be a waste of time. But if you have an interest in this area beyond today’s debate, you might want to refer to some of the submissions and Senate records of that inquiry which dealt with this area. As you know well, section 46 does deal with the misuse of market power and predatory pricing, and that was the area that the committee focused on as a result of submissions and representations in this area.

So I am not only reflecting my own philosophical view—and I share Senator Schacht’s approach on that and the approach of my predecessor in the Democrats—but also reflecting concerns which witnesses to that committee wished to see addressed. I did, in passing, Senator Ludwig, get slightly confused but I suspect you were moving around from one topic to another, because I had the feeling you were talking about representative action with regard to my 50AA amendment which does not really deal with that area; it is an area of assessment of divestiture and an application through a court order to get that accomplished. But I might have misunderstood what you were on about. Also, I think your links to section 80, if there were to be an inquiry in this area, would obviously need to be explored, plus your concerns about our Tasman brothers. And since my father was from the South Island I suppose I should pay attention to that point.

I have heard the argument and I am going to face defeat—it will be on the voices; I will not bother with a division. But I had a conversation with Senator Brandis, who, when he is not in adversarial mode, is an extremely capable and experienced legal practitioner and he had some very interesting remarks to make. His belief is that a lawyer who is well equipped and understands this area can actually be much more successful under section 46 than we think. However, the record shows that people have found it difficult to pursue section 46. Frankly, if you ever asked me to choose which of these two amendments were the most important, I would definitely say the divestiture amendment because I believe that is a natural corollary to the right to refuse a merger. So that is where my priorities lie. Nevertheless, returning to section 46, it is difficult to prosecute at present.

I would add one thing before we move to the vote. In his presentation Senator Schacht spoke in passing about the Reserve Bank and the government’s comments on it. I have a very simple view: if you set up authorities and bodies to be independent, once they are independent—and I am not sure the Reserve Bank is that independent—then of course you are entitled to criticise them. I have always felt that. I do not hesitate to criticise the Taxation Commissioner or Professor Fels or the head of ASIC. It is a little more difficult for the government than for the opposition and the Democrats to criticise them. But, frankly, I criticise the Reserve Bank for raising interest rates, both at the time and now. So perhaps the old-fashioned approach to reserve banks needs a bit of modification. If they really are to be independent of the government of the day, then they must stand or fall on their own two feet. But where I think we should go with that, Senator Schacht, is that the Reserve Bank Act needs thorough review, as does the way in which the Reserve Bank operates. If the Labor Party would really like to do Australia a favour, when this particular political year is over, if you are in government it would be worth your re-examining that area and if you are not in government I would certainly support a Senate reference inquiry into the Reserve Bank Act and whether it meets the
needs of a modern Australia. I offer you that approach.

I thank everyone for a very constructive approach to this amendment. It is important to the sector. It is not a whim of mine or of my party. I recognise I have lost, but I thank you for the lifeline you have offered with a potential inquiry, if we can find a way to develop it.

Senator HARRADINE (Tasmania)

That is the point: when will the inquiry take place? The opportunity was here for us in considering the amendment to the Trade Practices Act as proposed by Senator Murray. I understand the points that have been made. There are certain matters which need to be clarified and it is considered that sufficient time in this committee stage of this bill is not available for that purpose. The arguments have been that there needs to be some development of the precise meanings of terms that are included in this amendment. I am a little disappointed that the opportunity was not taken, but I can and do accept, as Senator Murray accepts, that an inquiry would advance—

Senator Schacht—Do you support both parts of Senator Murray’s amendment?

Senator HARRADINE—I am coming to 50AA. I can see that, in respect of the addition to section 46, there needs to be some clarification of the terms and of the effect that that would have. In respect of 50AA, I had hoped that this was a matter that might have been passed in the committee stage. Nevertheless, it is virtually agreed around the chamber that there needs to be an inquiry. The question is when and how soon.

Senator Murray—And the terms of reference.

Senator HARRADINE—Yes, of course. I suppose that can be arranged fairly quickly if there is general agreement, particularly if the government is agreed that this matter needs to be further looked at. I commend that activity.

Senator SCHACHT (South Australia)

On behalf of the opposition, I want to acknowledge Senator Murray’s taking up of the suggestion to have an inquiry. I am pleased to hear that Senator Harradine, an Independent in this place, is also supportive, particularly of the amendment to 50AA to give the power of divestiture. I think that indicates a shifting mood in the parliament amongst a range of opinion. That is a good sign. I acknowledge that the government has positively responded to the suggestion and would not inhibit a reference going forward. If I am interpreting you correctly, Senator Ian Campbell, these matters will be referred to the Senate Legal and Constitutional References Committee. I know we are all impatient.

Senator Ian Campbell—I’m practically focusing on the reality. I can count. We’re not going to stand in your way, but be constructive.

Senator SCHACHT—Yes. In earlier remarks when I indicated my personal view on the previous committee’s work more than a decade ago, the issue did not attract that much support. I am pleased to see that Senator Spindler’s successor in the Democrats is still pushing it and Senator Harradine has expressed sympathy but is a bit impatient that we did not deal with it today and vote on it. On behalf of the opposition, we look forward to a review. I have to accept that it will not be a quick review—this is not a quickie that will report in two or three months. It is a reference, not a piece of legislation. The review will take several months, and it will not report back until some time next year. I hope the Senate and the newly elected Labor government respond positively!

Amendment not agreed to.

Senator JACINTA COLLINS (Victoria)

I move amendments Nos 1 and 2 on sheet 2104:

(1) Schedule 1, item 28, page 9 (line 21), after “Part IV”, insert “(other than sections 45D or 45E)”.

(2) Schedule 1, item 28, page 10 (line 3), after “Part IV”, insert “(other than sections 45D or 45E)”.

These amendments limit the provisions in the bill that would allow the ACCC the power to take representative action. The amendments preclude the representative action with respect to secondary boycotts under part IV of the act. In dealing with these
amendments, I think I covered most of the detail of the opposition’s position in the second reading. I will not repeat those, but I would like to address some of the comments made by Senator Ian Campbell in his second reading response to the amendments.

I must say, Senator Campbell, this issue is not new. You tried the same thing in the Trade Practices Act (Country of Origin Representations) Bill 1998 and had the same response then. I am somewhat bemused by the level of hyperbole in your response. Your central point was that, by allowing the ACCC to take representative actions in cases of secondary industrial boycotts, it would empower small businesses, which would not have the wherewithal to take action on their own behalf. From the opposition’s perspective, in the current environment this seems to be a relatively pathetic attempt to bolster support from small business, which is reeling from the effects of the GST, the BAS and most recently the 0.6 negative economic growth factor. I characterise that as a fairly desperate ploy.

Senator Campbell also referred to the issue of bipartisanship. I think Senator Murray also alluded to this in his comments. It does seem that this is an attempt to sneak these provisions into legislation that is focused on retail practices rather than on industrial matters. Again, I highlight that it is not the first time that the government has sought to do this or to use other ploys to try to facilitate jurisdiction hopping in relation to industrial matters. I encourage all those listening to this debate to refer to the comments I made in my second reading contribution on these amendments, in which I dealt with the merits of the case rather than with Senator Campbell’s political spin. I will not repeat them here.

I want to focus solely now on Senator Campbell’s point: big business has the money and can take legal action, so it is only fair that small businesses can get the ACCC to take action on their behalf. That argument is fairly shallow. To reiterate: the opposition does not think anyone should take these sorts of claims. They remove from the industrial jurisdiction those matters that are entirely industrial. They invite injustices. They legalise where informality and low cost, in the form of the industrial commission, should operate. In fact, these were the very arguments for why the industrial tribunal should deal with these types of matters and should allow not only workers but also small business access to justice. I could characterise my response to Senator Campbell in the simplest terms: two wrongs do not make a right. The fact that the government has chosen to bring these matters into the Trade Practices Act does not mean we should extend it further. The opposition will not be supporting the extension of representative actions in the way proposed.

I want to conclude by responding to Senator Brandis. Senator Cooney has already done so in part in his second reading contribution. I was not suggesting a narrow interpretation of the Trade Practices Act in my second reading contribution. I know, as we all do, that the Trade Practices Act is not restricted to the retail sector. I was referring to this bill’s antecedents in relation to the behaviour of retail industry participants, not to the broad operation of the act. With those brief comments I will not take further the Senate’s time in repeating the arguments I dealt with in the second reading. I commend the amendments.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (10.45 a.m.)—I think the arguments in relation to this were canvassed quite clearly in my second reading contribution. But, just for the record, I will quickly restate that the government has brought these amendments to the Trade Practices Act into the Senate, into the parliament, because their clear effect will be to create a fairer competitive environment, particularly in the retail sector, for small businesses. These are measures—there is no argument about it from anyone—to make it a fairer situation. Senator Schacht said in his contributions in this debate that something like 70 per cent of the retail market is controlled by two large corporate entities and that measures are required to assist small businesses that compete in that environment to do so in a fairer environment.
In creating the opportunity for small businesses to seek the assistance of the ACCC to bring representative actions in relation to the secondary boycott provisions, we have sought to provide additional assistance to small businesses. As I said yesterday in the second reading debate, large businesses—be they Coles, Woolworths or other ones—have the resources required to take action on their own behalf under the secondary boycott provisions; small businesses do not. We have put in this measure—the representative action remedy or opportunity—to even up that balance. The amendments moved by Senator Collins take away that remedy for small businesses—and all businesses. Without any doubt—it is not even arguable—the supporting of these amendments will act to the detriment of small businesses. Those senators who vote for this will be acting to the detriment of small businesses vis-a-vis large businesses and trade unions. This vote will demonstrate where people stand in a choice between supporting small businesses, small enterprises, or large businesses at the big end of town and big trade unions. It is unarguable. That is the issue—and that is the issue that will be decided here this morning.

Senator MURRAY (Western Australia)
(10.47 a.m.)—Yesterday the parliamentary secretary hit the angry buttons. Today he still seems cross but is not quite so loud. I want to restate a number of things that I said yesterday in my speech in the second reading debate. The motivation for this bill was expressly a result of the Fair market or market failure: a review of Australia’s retailing sector report of the Joint Select Committee on the Retailing Sector. I expressed some regret that it has taken eight months to get this bill from the House of Representatives to the Senate for us to consider this matter. I made it clear that I cannot recall any witness to the committee inquiry, any submission or any discussion by any committee member—either in private or in public—that referred to representative action on industrial relations matters. It was all to do with representative action with regard to small business and retail matters.

The way the parliamentary secretary spoke yesterday implied, at least to me, that the real intent of this bill was industrial relations matters. I do not see it like that, the committee did not see it like that and the bill itself does not seem to reflect that. So if this is a side issue, not the main issue, then we should look at whether it matters much. The need for representative action is primarily related to non-workplace relations. As far as I know, the public information available indicates that very seldom have there been calls for or cases of small business wanting to take representative action on industrial relations matters. There just does not seem to be that kind of demand and need. But there is a massive demand and need on the other side. I also made the point yesterday that small business has nowhere to go but the ACCC on non-workplace relations matters but that on workplace relations matters they can go to the Australian Industrial Relations Commission.

I have made an argument both for and against these amendments. The argument for the amendments is that, if there is no need for small business and no demand for this, it does not really matter—and that is a point. The argument against the amendments is that if the government says, ‘Well, it really does matter,’ is it appropriate for this to be in here? I think this issue has the potential to derail and divert the real intent of the bill. The real intent of the bill, which arose out of the review in August 1999 of Australia’s retailing sector and was reflected in the government’s response to the report, is to enable representative action to be taken on competition issues and is not with regard to industrial relations disputes. So, on balance, the Democrats believe that the Labor Party amendments are appropriate and will still deliver a very positive outcome indeed from a bill that is long overdue.

I heard the parliamentary secretary damning the Democrats to high heaven yesterday, and I accept that that is his view. But we have taken the view on the basis I have outlined. I appreciate that he will disagree with me, but that is the reason we have taken that view.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information
Technology and the Arts) (10.52 a.m.)—Just briefly, because I think it is important that all senators know, the slight misunderstanding in what Senator Murray said occurs in two places and needs correction. Firstly, I do not think there is any disagreement around this place that we would like to see the amendments to this act come into law as quickly as possible. I am sure that small businesses around the country would heartily endorse that. There is only one thing that could possibly delay that and that is this amendment. There is no doubt that this amendment will delay it, regardless of what the House of Representatives decides to do with any amendment flowing from this debate today.

The second matter relates to the substance of the bill, as opposed to the process—that is, the Workplace Relations Act does not give a small business the right to take actions arising out of an alleged breach of the anti-competitive conduct provisions, including the secondary boycott provisions, in the Trade Practices Act. This is a remedy that small businesses have made quite clear they want. It is impossible to make any judgment about small businesses wanting representative actions from the ACCC because it is not a remedy they have had open to them. There is not a queue forming. It is not a door that we have opened for them yet. We want to create this opportunity. There is a suggestion that there is no demand for this; the reality is that there is no supply.

Senator COONEY (Victoria) (10.54 a.m.)—I want to say something apropos of Senator Murray’s approach, and indeed the opposition’s approach to this. This morning we debated an amendment put forward by Senator Murray—one part was about reversing the onus of proof and the other part was about giving the ACCC powers of divestiture. On this side we said that this had some merit but we wanted to have a look at it. We really have not had a chance to look at those matters; nevertheless, there was some sympathy for them. I thought the government’s position was the same—that is, they were willing to have a look at it. They may not necessarily have agreed with it, but they cannot get a proper purchase on the matter unless they have time.

Yesterday when I was in the chamber everybody said that, insofar as industrial relations is concerned and insofar as employee organisations are concerned, the committee had not turned its attention to whether the commissioner and the ACCC should have a power of subrogation in actions taken against unions. Everybody agreed that that was the situation as far as the committee was concerned. It seems a little ungentle—if I could say that, Parliamentary Secretary—to take the Democrats and the opposition to task for not agreeing to the commissioner having powers of subrogation in respect of actions against unions when everybody has said, ‘We haven’t had a proper look at it.’

I would not have thought it was a matter of saying that the opposition and the Democrats have refused; it was a matter of us saying that we have not had a look at it. It would have to be a great argument—and I am trying to think of one that would succeed—for me to agree that the ACCC should step into the area of industrial relations and be entitled to take actions against unions, particularly since the Trade Practices Act is all negative for workers and for the trade union movement. The act imposes obligations and penalties on unions and gives them no return, which is not the case for other entities dealt with in the act. As I say, I think it is being a bit harsh to take the opposition and the Democrats to task when we have not had a proper look at the matter.

Senator MURRAY (Western Australia) (10.57 a.m.)—I want to comment quickly on the parliamentary secretary’s supply and demand approach. The fact is that this bill is explicitly a consequence of the Baird committee inquiry. That inquiry did evidence massive demand. Witnesses were queuing up for representative action on the misuse or abuse of market power. It is on that basis that the committee made its recommendation and it is on that basis that the government accepted the committee’s recommendation, and I compliment you for it. Maybe you know differently, but I personally have not evidenced demand from small business for representative action to be taken by the ACCC on secondary boycott matters. You know and I know, because at a separate time we have
had to debate the Labor Party on this issue and they have disagreed with positions I have taken on the bill in relation to secondary boycott issues, that it is a very tense and sensitive area.

It does not seem to me to make any sense to hang the entire government hat on this very tense and sensitive area in the bill when, as far as the Democrats are concerned, we have no evidence of demand by small business for this action to be taken. That is all we are saying. If there were massive demand and massive need then of course, as Senator Cooney said, it should be reviewed and examined. But to my knowledge no committee, either joint or House or Senate, has ever heard that sort of demand. Therefore, it is either anecdotal to senators or the government has information that is not available to the rest of us. Given the sensitivity of this issue, on behalf of the Democrats, I cannot in good conscience oppose the Labor Party’s view, because they are saying that it matters a lot to them and there is not sufficient counterargument available to indicate its need. So I am sure we will agree to disagree, but that is our view.

Senator HARRADINE (Tasmania) (11.00 a.m.)—Because of those circumstances, and having regard to what Senator Cooney said as well as what has been said around the chamber, I appeal to the government to acknowledge what is being said. The Baird committee did not propose that the ACCC take representative action in respect of 45D matters. I appeal to the government, because of the importance of this whole legislation to small business, not to hold up the legislation, as is likely the case, but to let Senator Collins’s amendments—quite correct amendments, I believe—go through.

Senator JACINTA COLLINS (Victoria) (11.01 a.m.)—In closing, I want to respond to some of the issues raised by Senator Ian Campbell. Senator Campbell seemed to indicate that it was not so much an issue of demand but rather an issue of providing supply. But then at the same time—and he might correct me if I misheard him—he did say that small businesses were seeking access to representative action in relation to secondary boycott matters. If that is the case, I—like Senator Murray, I am sure—I am curious about where that demand is indicated and would be curious to hear about such a demand because it is news to me and, I am sure, also to Senator Murray. In the context of the inquiry that has been suggested in Senator Murray’s amendment, that is potentially an issue that could fall into that broader type of basket.

In relation to Senator Campbell’s suggestions, these issues may hold up this bill. Senator Murray and I have participated in many hearings in relation to matters such as unfair dismissal and small businesses, and I do not think it is an unfair characterisation of the last appearance of Mr Bastion from COSBOA to paraphrase what he said in the following way: ‘I’m getting a bit sick of this process and I would like to see the terms of this debate changed. We have genuine concerns and genuine issues that end up being caught in political spin and ideological rhetoric and we lose the potential to get any successful reform through that will assist small business.’

I put to the government that, if the government uses this issue of secondary boycotts—and so far we have seen no evidence of demand from small business to be able to access representative action in relation to secondary boycotts—to hold up this bill, ultimately, the damnation is going to be on the government. Again, the Mr Bastions and others representing small business are going to say, ‘We are caught in this ideological battle that the government wants to run and we are getting no constructive reform on issues that we have demonstrated bipartisan support for and solid cases and reforms are ready to run.’ I suggest that this is perhaps another example where small business will end up frustrated at the lack of progress with the government if the issue of access to representative action for secondary boycotts is used to stop reform.

Amendments agreed to.

Senator HARRADINE (Tasmania) (11.04 a.m.)—I would like to raise a matter which does give concern to small businesses. I want to refer to the statement by Graeme Samuel, the President of the National Competition Council. Last year he made a state-
ment, which has given rise to a considerable amount of concern among small businesses, about shop trading hours and the anticompetitive nature of shop trading hours. I raise this issue with the government through the minister at the table, the Manager of Government Business in the Senate. Mr Samuel is also on about the problems of liquor licensing and the hours of trading for the sale of liquor.

Surely these are matters over which the states have power and, clearly, there are very important questions involved, questions of social cohesion and of employment, including permanent employment. The suggestion is that in Victoria, since the shop trading legislation has become deregulated, there has been an increase in employment. But they do not say what sort of employment, do they? Have a look at what sort of employment has resulted: casual employment with only a few hours here and a few hours there, split shifts, and so on. It is a matter of great concern because there could be—certainly in the case of Tasmania—$7 million forgone if the National Competition Council continues on its path. I raise this issue of genuine competition.

I will probably be ruled out of order, but I also have the view that it would be a disaster if Shell took over Woodside. It would mean that Shell would control—I can give you the exact figure—40 per cent of our gas reserves, including 80 per cent of our undeveloped reserves. This really is a danger to reasonable competition, particularly where the interests of Shell worldwide would be in conflict with those of Australia’s national interest.

Senator MURRAY (Western Australia) (11.08 a.m.)—I am absolutely delighted to hear Senator Harradine raise this absolutely critical issue. I think, as does my party, that we have to pay as much attention to social and community needs as to economic needs. The place for small business in our society deserves valuing for itself, not as an offshoot of some economic theory arising out of the National Competition Council. Frankly, I find it obscene that, in the so-called interests of globalisation, or any of those other sorts of phrases that are trotted out, the National Competition Council can even consider that it should enter into the shop trading hours debate and punish states by recommending to governments that grants be withdrawn. It is absolutely obscene; it has gone mad.

Shop trading hours are an issue which should be determined under broad principles by state governments, having heard what their communities want, and then, under those broad principles, local communities should determine what their shop trading hours are. Shop trading hours relate to what people are able to do in their community: what hours they work, whether they have a day of rest, whether they participate in sporting and religious activities—all sorts of things. Frankly, for a national body such as the National Competition Council to get involved in those issues is an absolute perversion of its original intent. It results, in my belief, in anticompetitive activity.

The destruction of competitors is the destruction of competition. What the massive deregulation of trading hours can do in certain sectors is shift business away from small business into large business, because large businesses can employ casuals and take people away from their family environments on Sundays or weekends and so on, whereas a mum and a dad running a store cannot do that. It is just obscene. The other point to make is that, every time I hear people advocate it, I say that, if you want to have 24 hour a day, seven day a week trading, let us have it in every walk of life—let every bank, every parliament, every office, every factory, everything in this country be open on that basis. I ask them: how would you like it? And they do not.

In Victoria the construction unions argued for a 35-hour week; in other parts of the country we accept a 37½-hour week. Yet we want to impose through the National Competition Council—with this ridiculous attachment to some idea that it is an extension of globalisation—open trading hours. You are imposing how many hours a week on to individual retailers? My answer to this question is: if people want open trading hours, let their communities and their state governments determine that. It is not a role for the National Competition Council or for the fed-
eral government. I would love to see some leadership on this issue from the government.

Senator COONEY (Victoria) (11.12 a.m.)—I would like to join in the comments made by Senator Harradine and Senator Murray, because I think they are very important. The Trade Practices Act is an act which tries to get fairness in society and fairness into the market. As I said yesterday, to that extent, it is a civil life document—it is a document that sets out our rights. If it is looked at in that light, then the comments made by Senator Harradine and Senator Murray follow. If we are going to have a system which is helped either by this act or by other processes whereby our civil life is damaged rather than helped, then it is a real problem. I think the way things are being conducted with competition operating as it does is a very serious issue.

Oftentimes I think competition is looked at as an end in itself. Competition is simply an instrument to get to where we want to go in society. It is a bit like saying that all that really matters is process rather than the end. Process is merely there to assure that we get to the proper end. What has happened in a lot of this debate is that we are saying that competition is the end: as long as we get plenty of competition into the system, that is all that we really need, without looking at what competition is doing. And we do need a civil life. All the rights that we talk about are the rights that competition can damage rather than help—the right to assemble when we want to in churches or in clubs or anywhere else. We need a right of free expression. We can hardly have free expression if we are working all the hours of the day and night. We want to have the freedom to guide our own lives and, if that is taken away from us, that would be a real tragedy.

The central feature of a good community is family life itself. I think family life, if it is conducted the right way, is still the real thing for society to aim at, where we bring up children as they should be brought up. They need to understand that they are not there to knock over the next person; they are there to cooperate to get a good community going. I am not too sure that we are teaching our children the right sort of thing, and competition in particular is a real problem. There is a different philosophy to that, and I think we ought to pursue the alternative philosophy. The Trade Practices Act, where competition is properly understood and market forces are properly understood and are put into operation in the right sort of way, does get us the results that we want. But the best of the good things and the very best of the institutions we have in society can be perverted. In fact, we are meeting that problem again and again. There is a real danger—I think it is more than a danger now; I think it is an occurrence—that what Senator Harradine and Senator Murray have described will happen: that these instruments which we set out with to get a better society and which, to a large extent, have given us a better society have got to the point where they are doing more harm than they should. They are still doing good—there is no doubt about that—but they are doing more harm than they should.

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

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

FAMILY AND COMMUNITY SERVICES LEGISLATION AMENDMENT (NEW ZEALAND CITIZENS) BILL 2001

Second Reading
Debate resumed from 7 March, on motion by Senator Ian Campbell:
That this bill be now read a second time.

Senator CHRIS EVANS (Western Australia) (11.18 a.m.)—I was following with interest the previous debate in my office on the Trade Practices Amendment Bill (No. 1) 2000. It was clearly engaging the Senate most intently. This bill, the Family and Community Services Legislation Amendment (New Zealand Citizens) Bill 2001, gives effect to the new bilateral social security arrangements between Australia and New Zealand announced in a joint prime ministerial communique on 26 February this year. Labor is pleased to support this bill,
which provides each country with a more stable and durable framework for supporting people in need by removing uncertainty about the extent of, and responsibility for, future social security costs. At a practical level, the proposed legislation will reduce the complexity of administrative arrangements which have supported the trans-Tasman social security framework. Importantly, the bill does not impact on the free movement of people under the trans-Tasman travel arrangement. Australian and New Zealand citizens will continue to be free to travel, study, live and work in both countries.

From my own perspective, I am pleased that the flow of New Zealand rugby players and enthusiasts to Western Australia will not be diminished. The Perth rugby community would be much smaller and our forward pack less robust without them. On many occasions in my playing days, I was the only non-New Zealander in the team. I might say that, despite some of the stereotyping that occurs, most of the New Zealanders that I have had involvement with have been very keen to work and make productive contributions to Australian society while they stay in this country.

The effect of this bill is to restrict the right of access to some social security benefits to New Zealanders who arrived in Australia after 26 February this year. The bill amends the definition of ‘Australian resident’ in relation to social security law so that access to social security payments for New Zealand citizens moving to Australia is restricted to those meeting normal migration selection criteria or who are covered by a social security international agreement. After 26 February, most New Zealanders moving to Australia will need to apply for a permanent residence visa before they can access certain social security payments and obtain Australian citizenship. To this extent, the new arrangements are similar to those that apply to all new migrants to Australia.

The new arrangements do not apply to New Zealanders who were already living in Australia on 26 February or to those who were outside of Australia on 26 February but had spent an aggregate of at least 12 months in Australia in the two years immediately before this date. Labor is satisfied that the bill provides fair transitional arrangements. From 26 February this year, a three-month period of grace will apply to New Zealand citizens intending to reside in Australia; a six-month period of grace will apply to New Zealand citizens temporarily absent from Australia on 26 February and who were in receipt of a portable social security payment under the portability payment; and a longer 12-month period of grace will apply to New Zealand citizens resident in Australia but temporarily absent and who were unable to return to Australia in the three-month period and were not in receipt of a social security payment. I understand the Democrats have some concerns about the adequacy of those arrangements; however, Labor is of the view that they are sufficiently generous and flexible to cover all manner of contingencies.

It is important to point out that the provisions of the bill will not restrict access to a range of family payments and concessions available under Australian social security and family assistance laws. New Zealand citizens residing in Australia will still be eligible for the family tax benefit, double orphan pension, maternity allowance, child-care benefit, maternity immunisation allowance and the Healthcare card available to those on low incomes and seniors. Nor will access to other services—such as primary and secondary education for children, health services under Medicare, public housing and employment services—be affected by the proposed changes unless receipt of an Australian social security payment is needed to qualify for that service.

On the latter point, some government employment services will be affected because access to them is dependent on receipt of social security. However, New Zealand citizens will still have access to job matching services, which are available to most job seekers with a legal entitlement to work in Australia; harvest labour services, which connect people with harvest work in Australia’s fruit and vegetable growing regions; employment self-help facilities in Centrelink offices; and the return to work program that is available to people who meet criteria, in-
In conclusion, Labor supports this bill. It provides greater stability with respect to trans-Tasman social security arrangements, while preserving the free flow of people between our two countries and protecting access to essential services for New Zealanders newly arrived in Australia.

Senator BARTLETT (Queensland) (11.22 a.m.)—I speak on behalf of the Australian Democrats on this legislation, the Family and Community Services Legislation Amendment (New Zealand Citizens) Bill 2001. In summary, the Democrats’ view is that we are not opposed to this bill. The growing costs of social security commitments to the Australian taxpayer for New Zealanders resident in Australia is appropriate to address. However, we do have a couple of concerns in relation to how in unintended circumstances it may impact on some people, and also in terms of some of the stereotypes that may go along with debate around these issues—and I will touch on those briefly as I speak further to the bill.

Historically, recently arrived New Zealanders were treated differently from other migrants by Australia’s social welfare system. That special treatment derived in part from the ease with which New Zealand citizens can move into and out of Australia and also from the development of bilateral social security agreements between the two countries. Because of the large resulting movement of people, in recent times the cost of meeting social security commitments to New Zealanders resident in Australia has ballooned. Media attention has often focused on Kiwi dole bludgers stereotypically living the good life at Bondi. In 1986, a six-month waiting period was imposed on newly arrived New Zealanders before unemployment assistance could be paid. Last year this was extended to two years, which has essentially put New Zealanders on an equal footing with other arrivals in terms of the two-year waiting period.

Both Australia and New Zealand allow their borders to be open for free movement between the two countries and, by virtue of the bilateral agreement, signal their willingness to accept responsibility for citizens of the other country. Considerable financial inequity has arisen, however, in that movement of New Zealanders to Australia has outstripped the reverse flow. Also, the constituency of this flow of migrants, particularly those who intend to stay permanently, has had important consequences for Australia. It is worth emphasising though that this issue is not just one of cost to Australia—obviously the social security payments are a cost to the taxpayer—but also the contribution which New Zealand citizens resident in Australia make to our economy should be emphasised.

Historically, Australia has had strong ties with New Zealand. It has always been an ally, and we still share values and interests in the Asia-Pacific region. It is one of our geographically closest neighbours, probably our culturally closest neighbour, and of course there is regular trans-Tasman travel. In recent times the relationship between the two governments has deteriorated somewhat over defence and immigration issues and also now, obviously, with there being some rearrangement of matters relating to welfare. It is easy and electorally popular to mount an argument that with New Zealanders we allow backdoor entry of migrants to Australia and to talk about Kiwi dole bludgers. In relation to this bill, which deals with New Zealand citizens, there obviously are no votes to be lost, if you like, in reducing entitlements to New Zealand citizens. But I do think we have an obligation, nonetheless, not solely to look at this issue in that respect but also to look at these people, who are part of our community and who do contribute to our society and our economy, to make sure that they are fairly treated.

The Democrats certainly endorse the view that a more equitable position in terms of cost sharing of social security support is essential. However, we should not lose sight of the fact that social security income support is about individuals who frequently find themselves in circumstances not of their choice or planning, and they should not be made scapegoats for the sins and failures of past bilateral agreements or immigration policies.
This bill purports to place New Zealand residents in a similar position to migrants from other countries and, on an equal playing field, this seems fair enough. But there are specific differences in relation to New Zealanders that may have the effect of making the playing field not so equal. The trans-Tasman agreement allows—indeed, it encourages—free and unrestricted movement between our two countries. There is no migration approval necessary. The process of migration from countries other than New Zealand usually leads to a greater degree of preparation for migration on behalf of the people involved. Also, the stringency of migration procedures and the granting of approval for permanent residence prior to departure do not apply to New Zealand citizens.

The substantial change reflected in this bill before us today is to the definition of ‘Australian resident’. Under the social security law, the definition of ‘Australian resident’—and this is not a change to the immigration law, just social security law—will restrict access to the full range of social security payments to New Zealand citizens, unless they are the holders of permanent visas. The issue of permanent residence is important because this bill makes it so. But New Zealanders are not required to obtain permanent residence or even permission to remain in Australia. The 1973 trans-Tasman travel arrangement has allowed Australian and New Zealand citizens to enter each other’s country to visit, live and work without the need to apply for authority to enter that country. There has been no obligation or requirement for New Zealanders to obtain permanent resident status. Historically, those New Zealanders who do choose to do so bypass permanent residence and proceed directly to citizenship.

In some circumstances, what this bill may do is place New Zealanders in a worse position than migrants from other countries. The bill will ensure that people who live, work, pay taxes and raise children in Australia will never be entitled to social security income support because they were born in New Zealand, unless they take the previously unnecessary step of obtaining permanent residence. Other than under social security law and this change we are making now, there is no need or purpose for them to do so.

Migrants from other countries arrive in Australia with permanent resident status because they are required to do so; New Zealanders do not. That is not to say that New Zealand families and individuals who arrive in Australia are temporary visitors. Many arrive to settle, work, partner and participate in Australian society on no less a basis than migrants from other countries. Migrants from other countries undertake an application process prior to arrival and then are subject to a two-year waiting period after arrival for most social security payments. New Zealanders will not even qualify after two years, unless they take that step of applying for permanent residence. This bill purports to deny them that social security support.

It is not sufficient to justify this bill on some notion that New Zealanders are Bondi Beach dole bludgers. We should acknowledge the contribution made by migrants from New Zealand to the fabric of Australian communities over the years. Data from 1996 shows that New Zealand born Australian residents have one of the highest labour force participation rates of all birthplaces. The labour force participation rate of New Zealand citizens within Australia was 78.4 per cent at June last year, compared with a rate for Australian citizens of 67.3 per cent and for all migrants from the main English speaking countries of 64.2 per cent. At June 2000, the unemployment rate of New Zealand citizens was six per cent, which was lower than that for Australian citizens. The combination of high labour force participation rates and comparable unemployment payment rates indicates that New Zealanders do not deserve the dole bludger tag that is sometimes put upon them.

However, the Democrats do share the concern of the cost to the Australian taxpayer, and the inequity of the previous bilateral social security agreement because of the large disparity in numbers of people going to the respective countries. This bill proposes to place New Zealanders who have lived and worked in Australia for a lengthy period of
time in the same context as more recent arrivals. At some point it must be assumed that, as with other migrants to Australia, New Zealanders have contributed to their home and have earned their social security entitlement. This bill proposes to place a 10-year benchmark on these cases. With migrants from other countries that figure is two years.

The Democrats are pleased to note the savings provisions of the bill which look after the interests of persons who are currently in Australia, temporarily absent or in the process of moving to Australia. As far as I am aware, there has not been any great rush of New Zealanders attempting to take advantage of this window of opportunity. However, the Democrats believe there has been insufficient notice given to people who have set in train their plans to move to Australia permanently but will be unable physically to arrive here before the 26 May deadline imposed by this legislation. Many migrants receive their information through unofficial channels, and it takes some time for the community to become fully informed about substantial changes of this nature. Moving between countries, particularly when that move is planned to be permanent, takes time to arrange. Sale of property, purchase of new accommodation, school transfers, packing and removal of households have to be arranged. The rush with which this legislation is being passed through the parliament has not facilitated the education process of citizens of both countries. For this reason the Democrats feel that the savings provision should be extended for those people who have initiated the process of moving to Australia but for whom arrival within the next couple of months is not possible. We would seek to provide a few extra months for that savings provision.

New Zealand citizens have for the most part been subject to the two-year waiting period for benefits, as with migrants from other countries. A number of times I have raised in this place the disastrous outcome which arose from the introduction of that policy initially, where skilled, educated migrants who had been invited and encouraged to come to this country were reduced to severe poverty and reliance entirely on charities for an undurable period of up to two years if they were not able to find work in that period of time. Special benefit is the only payment that presently contains a discretion to shorten the two-year period in restricted circumstances—which are whether the person has suffered a substantial change in circumstances beyond their control. Case law demonstrates that it is very difficult to establish that a person ought to be exempted under this criterion. Nevertheless, it is possible to envisage extreme circumstances where it would be inappropriate to demand that the person endure a wait until the appropriate residence determination is made, and then possibly a two-year wait on top of that, prior to their being entitled to a payment. This bill will deny even that fall back option of special benefit to migrants from New Zealand. Other migrants that come here from other countries and have a two-year waiting period, if there is a substantial change in circumstances beyond their control, do have that fall back which prevents them from being put in extreme hardship through no fault of their own. That fall back option is not present under these arrangements, and the Democrats believe that it should be.

In some cases people may live and work in Australia for quite a number of years—they may be married to an Australian; they may have children born in Australia—and may suddenly have an unexpected circumstance, perhaps domestic violence or something like that. A woman in that circumstance will not qualify for any income support. She would not receive assistance because she had never been required to obtain permanent residence and because, taking effect from next year, the new bilateral social security agreement will also exclude parenting payment. It is not enough for the government to say that simply obtaining permanent residence visas will solve the problem. The very unexpected circumstances which can befall people, which require them to seek income support, will then operate against them to make it more difficult for them to get permanent residence. Senators may be aware of a recent Federal Court case decision of Justice Conti in October last year, in which a New Zealand citizen and former refugee aged 80 was hospitalised
due to ill health. Despite their fear of returning to New Zealand, the people involved would never have qualified for the proposed new residence permit due to their age and health. The bilateral social security agreement would not assist them because they did not have sufficient residence in New Zealand, despite being New Zealand citizens. Had the provisions proposed in this bill applied—that special benefit be denied to New Zealanders—the result of that case would have left them in extreme poverty in the absence of any income support. There must be a relief valve for those special cases where it is inappropriate to refuse a payment. The practical way to achieve this is to exempt special benefit from the new residence requirement in the knowledge that only persons who have suffered a substantial change in circumstances beyond their control would qualify for the payment. We will move an amendment to this effect in the committee stage which would do no more than put New Zealanders on an equal footing with migrants from other countries, which I think should be the intent of this legislation. The Democrats welcome the opportunity to more equitably share the costs of social security income support of Australian and New Zealand citizens. However, in doing so we do not wish to create additional poverty traps for people who are part of our community or to simply move the burden of support of citizens to churches and welfare organisations, which is what is at risk of happening in some circumstances with this legislation.

The Democrats are supportive of the aim of the legislation, but we are concerned that there does need to be a safety clause for people in unexpected circumstances. We do recognise the positive contribution and the high level of participation of New Zealanders in the employment market in Australia, and if we are to enable the trans-Tasman agreement to continue—and no-one is suggesting that we do not—then we do need to recognise the role that people play. If we are going to encourage or enable people to come here to contribute to our economy and to our community, we need to recognise that those people may sometimes, through no fault of their own, unexpectedly fall into difficulties, and it is in our interests as well as theirs to ensure that they do not become an underclass in our community. We will be moving a couple of amendments relating to that in the committee stage, but we are supportive of the aim and purpose of the bill.

Senator VANSTONE (South Australia—Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.38 a.m.)—I thank senators for their contributions. I appreciate that the Democrats have some slightly different points of view to ours on these matters.

Question resolved in the affirmative.

Bill read a second time.

In Committee

Senator BARTLETT (Queensland) (11.38 a.m.)—by leave—I move Democrats amendments Nos 1 and 2:

1. Schedule 1, item 3, page 4 (line 5), omit “3 months”, substitute “6 months”.

2. Schedule 1, page 6 (after line 32), after item 10, insert:

10A After subparagraph 729(2)(f)(i)

Insert:

(i) is the holder of a special category visa who is likely to remain permanently in Australia; or

The first amendment is basically just to increase the savings provision by some extra months so that people who have already undertaken plans to come to Australia have a six-month window of opportunity to arrive here rather than just three months. Given the significant planning and actions that are required in such circumstances, I think six months is a more reasonable time frame. It is not likely to affect a significant number of people, and we believe it would be slightly fairer.

The second amendment is, in my view, a more important one. It basically creates a safety net, if you like, for people who have a significant change in their circumstances through no fault of their own. This savings provision was put in place by the Senate in relation to other migrants who are subject to a two-year waiting period when they come to Australia. They are not able to access social security payments for those two years but, in
specific circumstances, they can get special benefit, the so-called benefit of last resort, and we believe the same should apply to New Zealand citizens who are resident in Australia. They too can be in circumstances where there is a significant change—unexpected and not through any fault of their own—beyond their control, and in such circumstances this opportunity should be available to them.

The evidence to date about this provision with other migrants is that it is pretty hard to access and it is quite difficult to establish specifically that a person has suffered a substantial change in circumstances beyond their control. So there would not be a gaping hole in what is intended with this legislation. It would simply provide a safety net in extreme circumstances, and we believe that it would be a desirable outcome in relation to New Zealand citizens in the same way as it is for other migrants who have chosen to come to Australia.

Senator VANSTONE (South Australia—Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.41 a.m.)—I will just quickly respond vis-à-vis the two amendments. I think it is important not to erode the principle that social security payments should be available to residents only. Like other migrants, New Zealand residents who have permanent residency can get access to special benefit. There are only two types of temporary visa holders who are currently exempt from the residence requirement, and they are the humanitarian category and the spouse interdependency category. Under these new arrangements, holders of special category visas will be treated like any other temporary resident under the social security law. New Zealand citizens who want to be covered by Australia’s social security system have the option of applying for a permanent visa. New Zealand citizens are the only people who can hold special category visas. Any move to exempt a group of people from the residence rules by nationality may be seen by other groups of temporary visa holders as discriminatory. So there are those problems.

As to the three-month time arrangement, we think that is a generous safeguard. We expect most people who have made a decision to move to Australia would have actually moved before 26 May 2001. The preference is, of course, for them to actually move, but they could prove residence by a combination of other factors, including signing a lease, buying a house, transferring bank accounts—there is a whole variety of things that could contribute to coming to that conclusion. Such people could also be considered to have made the decision to move permanently to Australia, and therefore be included in the saved category, under the existing transitional arrangements. Individual circumstances can be considered. Early indications from customer inquiries, the help line and other sources indicate that the majority of people in this group will have no trouble meeting the requirements under the present arrangements.

The transition period was always intended to protect those people who had already decided to move but had not finalised the details. If we extend it to six months, we will be allowing groups of people to take advantage of a provision that was only ever intended to protect people in the process at the time. We cannot support an amendment that extends the transition period so that people who have not yet made up their minds to move can have a few more months to think about it. This has had wide publicity in New Zealand. I understand they have had very large ads daily in the paper for 12 days in all the metropolitan papers. There have been radio advertisements, 300,000 booklets have been printed, and there is a dedicated toll-free call centre that can take up to 200 calls a day from New Zealand. I think that explains why neither of the Democrat amendments will be supported by us.

Senator CHRIS EVANS (Western Australia) (11.44 a.m.)—The Labor opposition do not intend to support either of the Democrat amendments. With the first amendment about the period of grace, we are satisfied that three months is a reasonable proposition, and we are not convinced that it ought to be extended. We have more sympathy with the second amendment, which deals with concerns about special benefit, and we have thought quite deeply about it. On balance, we
have decided that the government’s concerns about how it fits within the whole treatment of other visa holders is a more important consideration.

We do accept, though, that some of the arguments Senator Bartlett raised do have some merit. We acknowledge that the solution for those who are staying longer term and forming longer term relationships in Australia is really to seek permanent residency status, and we think the government ought to do what it can to encourage people in that situation to take out permanent residency and therefore alleviate the need for them to be in that category if they fall on hard times. We think a bit of a campaign to make sure people understand the social security arrangements and understand the different treatment according to their residential status would help alleviate some of those concerns. I know they will not alleviate all of them. Senator Bartlett made that point, and I think that would go a long way to dealing with some of those issues. So we think a commitment from the government to try to ensure that New Zealand citizens coming to Australia understand those arrangements would be helpful.

We also ask the government for some sort of undertaking and indication that it will review the legislation at an appropriate stage to ensure that people are being treated fairly and that the sorts of issues Senator Bartlett has raised are not a cause of any large concern. But, on balance, we think the government proposition ought to be supported. We are not inclined to support the amendments, but I do acknowledge that with the second amendment Senator Bartlett raises genuine concerns about the treatment of some people. There are a number of ways we can help tackle that in terms of ensuring people understand what their rights are and how permanent residency would protect them in those circumstances, monitoring what the experience is and, if there is a concern, maybe revisiting the issue. On this occasion, Labor are not inclined to support the amendments.

Senator BARTLETT (Queensland) (11.47 a.m.)—Recognising the numbers present in the chamber, I will not go on at length, but I think it is important to briefly emphasise that in relation to the second amendment I accept that we are putting New Zealanders in a different category, but I think that is what this bill is all about. There are special circumstances between Australia and New Zealand citizens, and the trans-Tasman agreement allows—indeed encourages—the free and unrestricted movement of people between our two countries. That is why there has never been any need or purpose for New Zealanders particularly to take up permanent residency. They just move straight to citizenship if they choose to do so after a period of time. We are dealing with a group of people who are already in a specific and unique situation.

That is why just suggesting that they can all take up permanent residency is not the entire solution to the potential problems that may arise. It really puts a whole new tilt on what the trans-Tasman agreement is about, which is not simply permanent migration but the unrestricted movement of people between the two countries. That is why New Zealanders have easier access to work entitlements than people from other countries. If we want to revisit all of that, that is a separate issue, but I do not think anyone is suggesting we do that. Because we have that special arrangement, I think it would have been appropriate for this protection of access to special benefits in extreme circumstances to apply. I recognise that unfortunately other senators do not agree with the Democrats’ position on this, but I think it is important to emphasise and put on the record the special nature of the movement of New Zealanders to and from Australia—and Australians to and from New Zealand, for that matter. These amendments not being accepted may lead to a situation where some of those people actually have less opportunity to access assistance than other migrants do.

Amendments not agreed to.

Bill agreed to.

Bill reported without amendment; report adopted.
Third Reading
Bill (on motion by Senator Vanstone) read a third time.

AIRCRAFT NOISE LEVY COLLECTION AMENDMENT BILL 2001

Second Reading
Debate resumed from 7 March, on motion by Senator Heffernan:
That this bill be now read a second time.

Senator O’BRIEN (Tasmania) (11.50 a.m.)—We are dealing with the Aircraft Noise Levy Collection Amendment Bill 2001 today for one simple reason: the failure of the Howard government to get even the basics of public administration right. If this was just a one-off mistake it might be excusable, but it is not just a one-off mistake. There is a long and growing list of similar administrative errors, some of which I will address later.

The noise amelioration program was put in place to acquire properties voluntarily and to provide financial assistance for the noise insulation of both residential and institutional buildings in the areas around Kingsford Smith Airport most affected by aircraft noise. On 1 November 1994, the former Labor government announced the program. The program was expected to be completed by June last year, but clearly that target has not been achieved. The Aircraft Noise Levy Act 1995 and the Aircraft Noise Levy Collection Act 1995 originally allowed the Minister for Transport to declare an airport to be subject to a levy. This government chose to change that arrangement in 1996 but failed to tell anyone, including the Minister for Transport and Regional Services, because nothing was done.

Under the act, when an airport had been declared leviable the cost of the noise amelioration program could be recovered by a levy on jet aircraft. The levy is imposed on the operators of the aircraft. The levy is based on the volume of jet aircraft noise emissions above a certain threshold and airlines have been recouping the cost from passengers by increasing the price of tickets. As at 31 January this year, the levy had raised a total of $197 million. As I said, while the declaration of an airport as leviable is directly a matter for the Treasurer, the overall administration of the noise abatement program rests with the Department of Transport and Regional Services.

I say that to indicate that in this matter Mr Anderson cannot pass the buck. This administrative neglect and the sloppiness underlying the need for this bill is not attributable to the current Minister for Transport and Regional Services, but it is not far from his door. The last time Kingsford Smith Airport was declared a leviable airport—as was intended under this legislation—was when the then Minister for Transport, the Hon. Laurie Brereton, made that declaration on 18 September 1995. For continuity of the program, the next declaration was due before 1 July 1996. As we now know this did not occur and, as a direct consequence of that oversight, error or incompetence, the collection of the levy since that time has been illegal.

Given the history of this legislation, the closeness of this issue to the transport portfolio and the fact that the last declaration was made by the last Labor Minister for Transport and nothing has happened since, anyone would be forgiven for thinking that this was another miss by Minister Anderson. In regard to misses, he has a lot of form. The recent exposure of his maladministration of the Australian Land Transport Development Act is a good case to highlight his buck-passing. The first and obvious casualties were his two advisers. While taking the defensive stance that he operated the legislation in the same way as Labor had, a point I will return to, and while professing that more than the default 4.95c a litre had been spent on roads—while making those defences to protect his own hide—he lashed out and sacked two key advisers.

Mr Anderson claims that the staff did not keep him informed. He complained that he was not made aware of the issues in the ANAO report until it was tabled and was therefore unable to prepare a response. In falling on his sword, Mr Oxley said:

Mr Anderson only became aware of the tabling in Parliament of the ANAO report, and the issues raised in it—
I emphasise those words—
after the event on Thursday 8th February 2001.

This is totally contrary to the minister’s press release on 9 February 2001 when he conceded that he was aware of the suggestion of a substantial surplus in the Australian land transport development special account in November—that is, in November 2000, some months before allegedly becoming aware in February.

Mr Anderson has hidden behind this Mr Nice Guy image for far too long. His actions on that day exposed his desperation and his failure to be properly accountable and take responsibility for his own incompetence. When you take a close look at the facts of Labor’s record on the administration of the Australian Land Transport Development Act, you also see that the minister has been quite out of order with his statements on that front as well. In his media statement in February, the minister tried to blur the significance of his maladministration by saying:

The making of a determination is optional.

Former Labor Ministers administered the Act in exactly the same way.

He is wrong, because when we look at the facts we see that the last road user charge determination was for the year 1993-94. As these charges were determined retrospectively, we find that it was actually gazetted by the then transport minister, the Hon. Laurie Brereton, on 18 January 1995. So, by simple and fair assessment, it is clear that the next time a road user charge was due to be gazetted was in early 1996 and, as we know, in early 1996 there was an election. The next scheduled charge was to have been determined by the transport minister in 1996, and we also know that that was not Mr Laurie Brereton. The last federal Labor transport minister was in charge and competent with the administration of his portfolio, unlike Howard government transport ministers.

Labor’s transport ministers did not administer the act in the same way as Mr Anderson. It is an insult for him to suggest that they did. While we are on the subject of contrasting the respective competence of Labor and the coalition on administration generally and particularly on the Land Transport Development Act, I will now turn to the issue of tabling reports. This was yet another failing of the transport minister as identified by the Australian National Audit Office this year. It was revealed that the minister has not tabled annual reports in accordance with the requirements of the same act.

I requested a list of all the reports tabled under section 21 of that act and found some interesting and telling gaps: on 20 May 1993, the review of operations volume 1 covering 1989-91 was tabled; on 14 December 1993, the review of operations volume 2 covering 1991-92 was tabled; on 28 June 1994, the review of operations volume 3 covering 1992-93 was tabled; on 28 March 1995, the progress report for 1993-94 was tabled; and on 21 August 1996, the progress report for 1994-95 was tabled. Then it seems that the Howard government transport ministers took their eye off the ball. It seems that after the August 1996 tabling, presumably having been substantially under preparation by Minister Brereton, no other report was tabled until 1999. The requirements of the act were ignored until 8 December 1999, when the current minister, Mr Anderson, tabled three outstanding reports on the same day. Those reports covered the years 1995-96, 1996-97 and 1997-98.

On that date in December 1999, the minister slipped in a catch-up tabling of three years worth of annual reports. I submit that this is no way to run the Australian Land Transport Development Fund and, contrary to the impression that Mr Anderson has tried to peddle all around the media, it is not how Labor administered its legislation. Today, as we speak, the transport minister has still not complied with the act. The reports covering 1998-99 and 1999-2000 have still not been tabled.

When the issue of the failure of the transport minister to notify a road user charge arose, when the Audit Office exposed the administrative failure that led to a nominal surplus in the land transport development account, this minister tried to say it was the same when Labor administered the fund, and he scapegoated his staff. This is blatantly wrong. It is now clearly obvious that the problems with the administration of that act
arose when the Howard government came into office. As with the administration of the Noise Levy Collection Act, all was fine until the incompetence of the Howard government intervened. Since the incompetence of the Howard government caused all this anger and angst and fuelled the general mistrust already existing in the community, Mr Anderson has been doing his best to show there is some sort of division within the Labor Party on this issue. Not one quote has been produced that gives any truth to that rhetoric. The Labor Party have taken an honest, open position on this matter. We have nothing to hide, as Labor administered this act as it should have been administered. The Howard government's stream of incompetent transport ministers mucked up the administration of the Land Transport Development Act, and it was appropriate that the ANAO expose the consequences as they did.

This is not the first time the Australian National Audit Office has exposed the poor administration of the transport minister Mr Anderson. In the 1989 ANAO report into aviation safety compliance, it was found that the Civil Aviation Act was not being complied with. Again, it was an issue of the minister not tabling reports in parliament—namely, the Civil Aviation Safety Authority corporate plans. The Audit Office report said:

The finalisation of only two corporate plans in four years since it was established represents a clear breach of the legislation.

As an aside, that was the same Audit Office report that revealed that Civil Aviation Safety Authority inspectors were spending only 15 to 17 per cent of their time on surveillance tasks.

Again the federal transport minister was exposed for not meeting his legislative responsibilities, let alone his ethical reporting requirements, to this parliament. This is the same minister that sat on the government response to key road and rail reports for years. The Planning not patching report was tabled in 1997, and the first of three key rail reports was tabled in August 1998. The industry had to wait until mid-2000 for a response on any of those reports. Then the response was so vague and brief that it did not give credit to the effort that went into the issues contained or reported on in those reports. There are still other reports outstanding on the minister's desk. In December 1998 the minister commissioned a high level industry government task force to provide him with options to increase the international competitiveness of Australian shipping. While the Australian shipping industry is left to wither on the vine, the report on how competitiveness can be increased is gathering dust somewhere—perhaps on the minister's desk.

The transport minister recently admitted another major failing in his portfolio area. It has been revealed that the minister broke his promise on the collection of avgas and avtur levies. That is a matter which has been mentioned in the other place by Mr Ferguson recently. In May 1999 in the budget the minister imposed a levy of 0.51c per litre on aviation fuel to keep down the cost of regional and general aviation towers. It should be pointed out that the costs of these towers became unaffordable because of the location specific pricing policy of the Howard government. Under that policy, charges were reduced at major airports but increased significantly at regional airports. What became obvious last week—and was conceded by the minister—was that all the revenue from the duty had not been used for the purpose promised. In fact, it is now clear that millions of dollars have been inappropriately collected from the aviation industry and have disappeared into consolidated revenue.

In conceding this broken promise, what did the Minister for Transport and Regional Services propose to do? Did he undertake to give the money back? No, the government has sat on the extra money and only commits to resolving the issue during the budget process. Minister Anderson said:

The government will be considering the fuel duty rate and the control tower subsidy as part of the budget process in the normal way this year.

It is time that the minister realised that breaking promises is not acceptable behaviour, although he may come to think that promise breaking is an acceptable tool of public administration, as his leader Mr Howard sets a fine example on that score.
In this regard, the minister broke his promise to the aviation industry and to the Australian community. It should be understood that generally the public feel that, if you take something under false pretences, you should give it back. There is no proposal put forward by the minister to return those levies which were collected in excess of requirements even though the levy itself was struck purely and simply to make up any shortfall in the cost of running tower services in regional Australia. When we heard that the collection of the levy from airlines for noise amelioration programs had been bungled, it is no wonder we expected—and we discovered—that Mr Anderson’s fingerprints were on that incompetence as well. The Audit Office did not detect the problem to be remedied by this bill when they did their audit of the government’s management of the non-primary levies last year. That report examined the administration of a number of government levies, including the aircraft noise levy. The oversight is a concern for those that rely on the independence, resources and rigour of the Audit Office to put government administration under the microscope.

I note that, in the second reading speech by the minister in the House, he attributed the failure to declare Sydney a leviable airport as an ‘administrative oversight’. This is reminiscent of the transport minister sacking two staff to cover his own failings. It is time that the Howard government ministers took appropriate responsibility for their actions. It is time that the government ministers got their houses in order and attended to the business of government; after all, that is what the taxpayers of this nation expect of the government. That is why they are resource to provide that attention to government business.

While I am talking about the Aircraft Noise Levy Collection Amendment Bill 2001, I should touch on a matter that was raised in the last annual report of the department, and I raised questions about this during the estimates process. It relates to the installation of certain insulation products in more than 1,000 houses in the vicinity of Kingsford Smith Airport. I am given to understand that in more than 1,000 houses a woollen fabric was installed as noise insulation, which was subsequently discovered to be prone to insect attack. Under the program, those 1,000 or so houses had to have their insulation product ripped out and replaced with a more suitable form of insulation. I understand that the cost of replacement of that particular insulation to date has been in the vicinity of $14.1 million. Those costs have been imposed on travellers to Kingsford Smith Airport, the general travelling public. Levy payers have to pay an additional $14.1 million plus to make up for an obvious bungle. This is just another case of serial bungling under the administration of this minister. This must be one of the most galling steps that this government has taken—it is putting a bill through the parliament to correct a bungle of this magnitude which comes down entirely to its own administration, in contrast with the way that Labor administered the transport portfolio.

Senator SHERRY (Tasmania) (12.10 p.m.)—The Aircraft Noise Levy Collection Amendment Bill 2001 proposes to correct an alleged administrative omission that has rendered the aircraft noise levy inoperative from 1 July 1996 until 21 February 2001. The aircraft noise levy collects revenue to fund a significant home and public building insulation program around airports with noises above a prescribed levy. As at 31 January 2001, the levy had collected $197 million against the $347 million expended on insulating 3,300 homes and 80 public buildings. It is estimated the levy will need to continue for around another five years to fully finance the insulation program.

The bill proposes to deem that the appropriate ministerial declaration was made for the period of 1 July 1996 until 21 February 2001. From that date, a new prospective declaration has been gazetted by the Assistant Treasurer, Senator Kemp. As usual, the Liberal-National Party government is blaming the bureaucracy, the Public Service, for this error, which is a significant error. Labor will support this legislation, despite its retrospectivity, because it confirms what was thought to be properly collected revenue. A failure to pass this legislation would neces-
sitate the return of the levy to the airlines that collect it, despite the fact that the real economic levy was on the passengers. This would result in a windfall gain as well as a significant cost to the Commonwealth. This is a good example of a bad bungle in respect of legitimate retrospective tax law.

This is the latest in a series of serious bungles made by the Liberal-National Party government, and the latest in a series of bungles in respect of taxation measures. My colleague Senator O’Brien has touched on the role of the minister for transport in this, but the other minister responsible is the Assistant Treasurer, Senator Kemp. Senator Kemp, as Assistant Treasurer, is responsible for tax administration in this country. Senator Kemp, together with the minister for transport, is responsible for overseeing the implementation and the administration of tax law in this country. As I said earlier, it is the latest in a series of major mistakes made over the term of this government.

The Senate considered a piece of legislation in respect of a crackdown on misuse of superannuation trusts that involved the minimising of $1.5 billion in superannuation trusts placed overseas. That legislation was considered a few weeks ago. The Labor Party—and I acknowledge the role of the Australian Democrats—supported a retrospective provision in that legislation. We believe that it was an appropriate use of retrospective tax law to try to recoup the $1 1/2 billion in revenue that has been laundered in overseas noncomplying superannuation funds. I raise that matter in this debate because that was an amendment the government opposed. It is now being considered by the House of Representatives, and we would like some indication of whether or not the government will accept the Labor and Democrat amendment to crack down retrospectively on that possible loss of $1 1/2 billion in tax revenue. Again, I draw to the attention of the chamber the role of the Assistant Treasurer, Senator Kemp, in that particular matter.

There have been a number of other serious bungles and errors made by the government with respect to tax in the last five years. The first one that I can recall was the introduction of the so-called superannuation surcharge—a tax by another name. This was introduced in the 1996 budget and directly broke a promise given in writing to the Australian people by the Prime Minister, Mr Howard, and the Treasurer, Mr Costello, in the lead-up to the 1996 election. They gave an ironclad commitment that there would be no new taxes and no increase in existing taxes. And what did they do in 1996? They introduced a half a billion dollars a year new tax on higher income superannuation. I do not object to higher income earners paying more tax; however, that directly broke the commitment given by the current Treasurer and Prime Minister prior to the 1996 election.

The other problem with the new tax on superannuation is that, in an attempt to raise $500 million in revenue, the government effectively forced a lot of superannuation contributions offshore to avoid the tax. We had to fix that problem a few weeks ago, and I referred to that earlier. But in imposing a half a billion dollars tax and in an attempt—I might say, a vain attempt—to hide the impact of the so-called superannuation surcharge, the government forced superannuation trust funds to collect it. Of course, they do not have the same resources or databases as the Australian Taxation Office, and it cost them well over $120 million to collect $500 million in revenue. That was the first attempt by the Liberal and National parties at so-called serious tax reform.

Of course, not a lot of people realised, until the last few months when they started getting this year’s tax assessments on the superannuation surcharge, that the base has recently been expanded by the inclusion of the fringe benefits tax. A lot more people are being caught by this new tax. I understand from recent events in the caucus room of the Liberal and National parties that this matter has again become fairly difficult politically for them. No wonder, given the incompetence associated with the introduction of that particular new tax and the unsuccessful attempt to hide it by requiring the funds to collect it. We have had a very significant debate about what is a surcharge and what is a tax. Effectively, the surcharge is a tax by another name.
But I will move on to the famous promise by the Prime Minister—the never ever promise—not to introduce a GST. We have debated the GST on numerous occasions and we will continue to debate it, but I would again point out to the Senate the allegation made by the government that the wholesale sales tax was inefficient, was ramshackle and should be replaced by a new, modern, dynamic, streamlined GST and that the GST was going to work wonders for the Australian economy. The government’s case was outlined in their document Not a new tax, a new tax system. It is interesting to reflect on the claims made in that document and the impact of the GST on the Australian economy.

We are obviously aware—as is everyone in the Australian community—of the impact of requiring two million Australian individuals and businesses to become tax collectors. The allegedly inefficient wholesale sales tax had a number of virtues, but certainly one great virtue was that only 80,000 businesses collected the tax. When the GST was introduced, two million businesses and individuals became tax collectors. So if you want to argue about efficiency of tax collection: you had a wholesale sales tax being replaced by a GST, and you were expanding the number of tax collectors from 80,000 to two million. By the very definition of a GST, it had to increase the paperwork, bureaucracy, time and cost for those new tax collectors. Those new tax collectors are almost every small business in Australia and at least a half a million individuals, many of whom are self-funded retirees. The backdown, the roll-back, on the BAS is now well known and will obviously be debated again. So I do not intend to go into any greater detail than that.

One of the claims made by the government in the lead-up to the 1996 election was: ‘We need a new tax system’—that is, a GST—‘because it will deliver higher economic growth.’ I picked up a copy of the ANTS document again this morning, just reflecting on the events of the last day or two, and on page 16 it says:

The new tax system—
that is, a GST—
will deliver higher economic growth through more competitive Australian exports and import competing products, as well as through higher investment driven by lower industry costs.

I will just emphasise the first line:

The new tax system—
that is, a GST—
will deliver higher economic growth ...

The Treasurer and the Prime Minister have boasted about Australia’s long run of significant economic growth, but the point has to be made that that economic growth was occurring without a GST. The GST was introduced on 1 July last year, and what happened to economic growth? We all know what happened to economic growth: yesterday, we had the very sad and sorry story of release of the national accounts figures which indicate that the Australian economy has hit the wall, and in fact it has gone backwards by negative 0.6 per cent. So much for a GST delivering higher economic growth and greater efficiency for the economy! If you ask the two million new tax collectors about the greater efficiency to the economy they look at you in bewilderment. I suspect that issues such as the government’s bungled tax reform are fundamental to the problem the government now faces in the electorate. But that is for the electorate to determine later this year. They are the only comments on the GST that I want to make in this debate today.

We have had other examples of the government bungling taxation in this country. We had the East Timor tax, which lasted for six months. The Prime Minister, quite rightly, wanted to ensure that our forces in East Timor were underwritten financially and that the additional cost of that important involvement—an involvement I support—was covered, so he decided to introduce a special East Timor tax to raise half a billion dollars a year. At that time the budget was in significant surplus, and therefore it was not necessary to proceed with that new tax, albeit for a limited time. So we have had a number of notable bungles on tax reform by this Liberal Party-National Party government. The legislation we are considering is the latest. These are serious problems that have been created either by government ineptitude and inefficiency or by blind ideo-
logical policy on the GST and its application to the Australian economy.

I watched the Treasurer last night on the 7.30 Report, trying to explain why the GST was not responsible for the Australian economy hitting a brick wall and going into negative growth. He misled the Australian people—he has misled the Australian people on numerous occasions—on one particular issue when he said that every modern economy in the world has a GST. There is still one major modern economy in the world that does not have a GST—that is, the United States. The United States does not have anything like a GST, and just look at the record of economic growth in the United States.

Senator Heffernan—They have umpteen state taxes, though.

Senator SHERRY—I am pleased you raised that, Senator Heffernan. The majority of states in the United States have a retail tax of varying levels, but it is nothing like a GST. It is not implemented in a way that is anything like a GST and it does not raise the same amount of revenue as a GST. I think it is important to put that in some context. The Treasurer is always talking about the need for Australia to copy other countries with respect to the GST. But the one important exception without a GST that is left in the world is the United States. In some of the contact that I have had with United States legislators and tax advisers—

Senator Heffernan—So you are going to withdraw this, are you?

Senator SHERRY—I am responding to your interjections, Senator Heffernan. I should not acknowledge them but I do want it on record that you are in the chamber dealing with the bill, even if my acknowledgment is against standing orders. Senator Heffernan, you should not be carrying the can for this. We want Senator Kemp, the Assistant Treasurer, here to explain yet again another major administrative tax bungle by him. There is a trend in government when you are in trouble—and I have noticed this with past governments as well—to blame your Public Service. It is a trend I have noticed at estimates hearings in recent times: when the going gets tough, it is the public servants’ fault. The public servants have mucked it up. On issues like this, I certainly do not subscribe to that. Ministers cannot reasonably be expected to know everything—that would be unreasonable. But in the case of Senator Kemp, the Assistant Treasurer of this country, and his performance, it is very obvious when he responds to questions during question time that he simply has no idea what is going on; he has no idea whatsoever. I am slightly biased, and I know that Senator Kemp and I spar occasionally, but if you listen to the commentary from the media, accountants, lawyers and even the general public—those few who listen to our debates—

Senator O’Brien—Even John Laws!

Senator SHERRY—That is right, even John Laws. These people just shake their heads that Senator Kemp is responsible for tax administration in this country. We all remember that infamous appearance on the 7.30 Report when Senator Kemp had to defend the indefensible: the exception of high rollers in casinos from the GST. I understand that, as a result, there was a directive issued by the government media advisers that Senator Kemp should not appear on TV again because it was such a shocker. Anyway, enough of Senator Kemp, I do hope he comes in and explains himself and the problems that the government has presented and that we are now having to fix retrospectively.

There is one point that I want to finish on, and I have referred to this matter before: this is a high tax government. I have considerable respect for some people in the government on the other side of the chamber. There are some very intelligent people there. Senator Gibson is in the chamber, and he is one I do have considerable respect for. He is a person who can pick up a set of budget figures, do a reasoned analysis and come to a reasonable conclusion. But if you look at the budget papers and you add the GST revenue to other government revenue which is presented on page 843, you get a figure of almost 25 per cent of tax as a percentage of gross domestic product, which is the highest level of tax in peacetime in Australian history. People like Senator Gibson, Senator Watson and others have been conned by the Treasurer, Mr Cos-
tello, into putting out a line that they are not a high tax government. They actually believe their own propaganda—another big mistake to make in politics. So this is a high tax government and it is a government that has bungled in a number of major areas in tax implementation and tax administration. *(Time expired)*

Senator GREIG *(Western Australia)*

(12.30 p.m.)—The competent people in the Parliamentary Library have said in the *Bills Digest* on the Aircraft Noise Levy Collection Amendment Bill 2001:

On 21 February 2001 the Assistant Treasurer, Senator Rod Kemp, announced that an ‘administrative oversight’ had been uncovered and that the Government would be introducing this Bill to fix it. He acknowledged that although an aircraft noise levy had been collected from jet aircraft operators landing at Sydney Airport since 1995, a Ministerial declaration that Sydney was a ‘leviable airport’ had not been in place since 30 June 1996. Without such a declaration, collection of the levy is legally invalid.

In 1995, parliament passed the Airport Noise Levy Act and the Airport Noise Levy Collection Act. Briefly, the principal act empowers the minister to declare that a qualifying airport—that is, one where nearby buildings are forecast to exceed nominated levels of noise and where the Commonwealth is funding a noise amelioration program—is a leviable airport. The declaration is made by notice in the Commonwealth *Gazette* for a specific period. The rate of levy must be struck in a way that the money collected for an airport closely matches the amount expended on the noise amelioration program for that airport at any given time and that the relative incidence of the levy does not fall more heavily on one leviable airport when compared to another.

The levy imposed on jet aircraft landing at Kingsford Smith airport funds the Sydney Airport Noise Amelioration Program. According to Senator Kemp, the levy had raised $197 million as at 31 January this year and program expenditure had reached $347 million, enabling some 3,300 homes and more than 80 public buildings to be noise insulated. The Australian National Audit Office, the ANAO, reported that in 1998–99 the levy recovered some 62 per cent of the costs of the noise amelioration program at Sydney airport for that year. The Department of Transport and Regional Services, DTRS, has estimated that the levy will have paid for the noise amelioration program at Sydney airport by around 2005–06.

An obvious issue of concern to us today arising from this bill is principally the failure by the government to declare Sydney airport a leviable airport after 30 June 1996, putting at legal risk around $175 million in public money. Sydney airport was duly declared leviable in 1995 for a nine-month period ending on 30 June 1996. No subsequent declaration has been made. DTRS is generally responsible for the management and collection arrangements for the aircraft noise levy and, thus, for the principal act. However, the Treasury is fixed with specific responsibility for section 7 of the principal act, the one dealing with declarations of an airport as leviable. The Assistant Treasurer, Senator Kemp, called it ‘an administrative oversight within the Treasury’ and said that ‘the Secretary to the Treasury has taken full responsibility for the matter’.

Clearly, to be effective, deeming or validating legislation of the kind exemplified in this bill must operate retrospectively. There is a common law presumption against treating legislation as retrospective where it is ambiguous whether the parliament intended it to so operate. But this principle should not be confused with the question of parliament’s power to pass retrospective legislation. Where, as in the bill, parliament expresses a clear intention that legislation operates retrospectively, it will have that legal effect even if it adversely affects the rights of individuals and other entities. Legislation which affirms what was mistakenly understood to be the correct legal position, as this bill does, is generally seen as less prejudicial to individual liberties than acts which state a new legal proposition and then apply it to past conduct. The Democrats consider that the oversight the parliament is considering is regrettable and that retrospective legislation is required to remedy it. We recognise the need for this legislation and we support it.

On a local level, I want to acknowledge the considerable correspondence I have had
from the City of Canning in my home state, particularly from suburbs such as Victoria Park, East Victoria Park and Queens Park, which have for some time been complaining about what they appear to be legitimately arguing are increased and more frequent noise levels arising from Perth airport, which is in the vicinity. As a parliament, we ought to be looking in the near future at some kind of amelioration program for that particular region. I do not have immediate solutions, but I indicate my intention to work with the City of Canning as best I can over coming months to see if something further can be done.

I want to pick up on a point made by Senator Sherry when he interestingly brought the GST into the debate. He made the point that America, as a modern nation, does not have a GST. He is quite right. But I think you need to be careful about making international comparisons of that kind. America does not, for example, have a national health scheme. It is not a country that I would like to live in. It is a country with extreme disparity between rich and poor. It is a country with pockets of extreme poverty and alienation, it has ongoing and frequent difficulties in race relations and it seems that every other day some kid is running around with a gun killing someone else. Australia is still a lucky country. We may not have the best tax system in the world, but I would much rather live here than in the US, and I would warn against comparisons of that kind.

To go back to the bill at hand, the Democrats will support it for the reasons I have outlined.

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (12.37 p.m.)—The objective of this amendment is to correct an administrative oversight which resulted in Sydney (Kingsford Smith) Airport not being declared as a leviable airport after 30 June 1996. The Aircraft Noise Levy Collection Act 1995 and the Aircraft Noise Levy Act 1995 put in place a framework for the imposition of a levy to recover the cost of noise amelioration programs at certain leviable airports. In 1995, Sydney airport was declared as leviable for the nine months up to 30 June 1996; however, there was no subsequent declaration. Notwithstanding the failure to declare Sydney as a leviable airport, the levy has been determined and collected in accordance with the intent of the legislation—in particular, the requirement of the collection act that the leviable liability for an airport at any given time does not exceed the Commonwealth expenditure on the noise amelioration program.

In the case of Sydney airport, the levy raises around $38 million to $40 million per annum and, as at 31 January 2001, had raised a total of $197 million. Meanwhile, expenditure on the program to 31 January 2001 was $347 million. To date, over 3,300 homes and over 80 public buildings in the vicinity of Sydney airport have been noise insulated. Depending on future revenue and recovery, it can expected that the levy will need to continue for another five years. This bill corrects the oversight by amending the collection act to deem a declaration to have been in place for the period 1 July 1996 to 21 February 2001. In order to validate prospective collections, the Assistant Treasurer on 21 February gazetted Sydney as a leviable airport up to and including 30 June 2006. The amendment imposes no additional regulatory or financial burden upon aircraft operators; rather, it merely seeks to regularise past dealings between the Commonwealth and the operators.

Question resolved in the affirmative.

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

VETERANS’ AFFAIRS LEGISLATION AMENDMENT (APPLICATION OF CRIMINAL CODE) BILL 2000

Second Reading

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

That this bill be now read a second time.

Senator SCHACHT (South Australia) (12.41 p.m.)—The Veterans’ Affairs Legislation Amendment (Application of Criminal Code) Bill 2000 is fully supported by the opposition. It is what you might call a housekeeping bill, as changes to update penalties in the veterans affairs area are also being updated in many other areas of govern-
ment administration. It has been to the appropriate Senate committee, which unanimously recommended that it be supported. I cannot recollect any member of the veterans community raising the bill with me in any way—good, bad or ugly. Anyone who knows the veterans community knows that there has to be only the slightest hint that something may be wrong in a veterans bill before people, quite rightly, raise their queries. So the opposition supports the bill.

I would like to take a couple of minutes to make some other remarks about veterans matters. I take this opportunity to put on record that, although we recognise the very good work of the staff of the Department of Veterans’ Affairs in providing services to the veterans community, the downsizing—the reduction in staff—that has been going on in the department over the last few years under the present government is a matter of considerable concern to the opposition and to the veterans community. Some of it has been done because of the claim that, because of mortality, there are fewer veterans to be serviced, so to speak. But, of course, the bill for veterans affairs is going up because so many of the Second World War veterans are now well into their late 70s and early 80s and their need for aged care, and the services that go with it, keeps increasing. There is also an increasing demand for a full range of services, not only on the compensation side and the pension side but also on the aged care side, for veterans of the Vietnam War, who are a large number now getting well into their 50s.

What concerns us with the downsizing—the reduction in numbers—in the department is that a lot of the people who have left the department had spent a lot of time in the department and had a good ‘institutional memory’, to use that phrase, and a good understanding of the intricacies of the veterans system. Once those people leave, their skills are gone for good. There have certainly been many complaints about some of the newer staff recruited into Centrelink, which is often the first place that people go to to find out whether they are entitled to a veterans benefit or a benefit in the non-veterans area. Veterans are complaining that some of the newer staff have not received the appropriate training to explain to them what benefits they are eligible to receive under the Veterans’ Entitlements Act.

That is a matter of concern to the opposition and we will monitor that very, very closely. We believe the obsession this government has with downsizing and outsourcing has reduced the quality of service to the Australian public across the board as well as to veterans. That is one issue I wanted to mention.

I would also like to take this opportunity to thank the many members of the veterans community who have taken the trouble over the last couple of days to contact me and my office about the publicity received from my announcement to the full caucus committee on Tuesday that we are going to grant an appropriate award to all national servicemen who were called up in Australia between 1951 and 1972. That has been very well received by the national servicemen themselves and their association, but I was pleased to hear that the RSL, which had previously taken a decision that they wanted to look at a wider, ongoing award, have apparently in recent days supported the awarding of a national service medal, according to one of their senior officials at their national executive. The opposition want an appropriate award, but in opposition we cannot estimate the actual cost of producing a medal. They are not inexpensive and there are a large number of ex-national servicemen living in Australia, but we certainly want to recognise that service.

The other issue which was publicised from the parliamentary Labor Party caucus meeting was the granting of Victoria Crosses posthumously to three individual service people: firstly, to the famous Simpson of Simpson and his donkey fame from the First World War; secondly, to Teddy Sheean, the famous able-bodied seaman from the HMAS Armidale in 1942; and, thirdly, to Gunner Albert Cleary from the Sandakan death march. I have found it most interesting that this has created considerable positive interest and discussion not only in the veterans community but in the broader community. But people also have raised legitimate ques-
tions. Why pick these three to posthumously receive a medal? What about the many other tens of thousands of service people who did equally brave things but who also missed out at the time? How do you cater for them? This is an argument which cannot be ignored. The opposition’s view is that we believe the three people we have identified not only deserve the medal but represent the broader areas of service at the time.

Sheean is well known. He received a mention in dispatches, but the reason he did not get a Victoria Cross recommendation is twofold. Firstly, no officer was available to report on his bravery. No-one disputes the bravery, but a Victoria Cross in the Navy was only granted on the recommendation of a commissioned officer, and none was available in the circumstances of the sinking of the Armidale. Secondly, and something that I found very odd, up until some time after the Second World War, any recommendation for an Australian Navy service person to receive the Victoria Cross had to be referred to the British Admiralty for acceptance. I find it rather odd that the British Admiralty would have the final say on whether an Australian service person in an independent Australian Navy should receive the Victoria Cross. So Sheean, whose bravery is undisputed, may have missed out on getting a recommendation for a Victoria Cross at the time because of bureaucratic structures, not because of any lack of bravery.

In relation to John Simpson Kirkpatrick, there is now evidence that at some stage during the First World War, the rules for eligibility to get a Victoria Cross were changed to put more emphasis on those who actually conducted an act of valour in the face of enemy fire. In the Boer War it was different, and doctors and medical staff did win Victoria Crosses for their bravery in saving people. It appears that that may have worked against a recommendation for Simpson at the time because of bureaucracy. I think, even 85 years on, it is not too late to rectify that omission and grant a Victoria Cross to one of the most famous ANZACs at Gallipoli.

Finally, we have Albert Cleary. The circumstances of Cleary’s death are quite horrific and can only be called murder. He was on the Sandakan death march. With a number of survivors from that death march, he arrived at Ranau and was put in a very awful camp. He attempted to escape, knowing that recapture by the Japanese after attempting to escape was a death sentence and that he would be executed. He was recaptured. He was badly tortured and beaten for a couple of days in Japanese headquarters in the small village at Ranau. He was then taken out and chained to the ground and left in the open for about 10 days, with no food and apparently only some, if any, water. He was further beaten whenever a Japanese guard took the opportunity of going past him. At death’s door he was handed back to his mates in the hut, and he died the next day from the torture and beatings he had received. The fortitude he showed is an example to all of us, and it was at a level most of us find hard to believe could be endured for so long by any human being.

The argument is that 23,000 Australians were captured by the Japanese and most suffered a horrible experience, so why pick Gunner Cleary to be the recipient of an award 45 or 55 years after the end of the Second World War? One of the reasons for the opposition having raised Cleary is that his example is well known. Also, he was one of the 1,700 Australian servicemen who were murdered—and I use that term quite openly and knowingly—by the Japanese in the Sandakan death march and associated areas.

The other thing I have noticed in my research into this is that there appears to be no attempt to give awards to prisoners of war, like Cleary and many others, who showed bravery. For example, we all know of the great work of Weary Dunlop, the doctor who saved many Australian lives. He did not get an award for his service. Later on he got an Order of Australia award, which was more than thoroughly deserved. But, again, there may well have been an attitude at the time that being a prisoner of war meant that you were not eligible for a decoration for valour, courage and bravery and that you could only get an award in battle. I think most Australians would be of the opinion that, whether you were a prisoner of war or in battle, being a prisoner of war of the Japanese and suffer-
ing those sorts of experiences showed those men and women to be uncommonly brave. Therefore, we believe that, though we have selected three people—many of them being called on publicly by others in the community to be decorated—it is not unreasonable to choose those three and propose that, in government, they receive the highest decoration on behalf of the Australian people.

Senator PATTERSON (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Parliamentary Secretary to the Minister for Foreign Affairs) (12.54 p.m.)—I thank Senator Schacht for his contribution. The Veterans’ Affairs Legislation Amendment (Application of Criminal Code) Bill 2000 is part of the government’s program of legislative reform aimed at achieving greater consistency and cohesion in Commonwealth criminal law. It amends offence-creating provisions in the Veterans’ Entitlements Act 1986 and the Defence Service Homes Act 1918 to ensure consistency with the criminal code. The code establishes the general principles of 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, and the bill ensures that, when the code commences, the criminal offence provisions in the acts will continue to operate in the same manner as they operated previously. If these amendments were not made, then the criminal code could alter the way the criminal offence provisions currently operate. 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 12.56 p.m. to 2.00 p.m.

QUESTIONS WITHOUT NOTICE

Centrelink: Goondiwindi District

Senator McLUCAS (2.00 p.m.)—My question is to Senator Vanstone, Minister for Family and Community Services. Is the minister aware of the matters raised in Centrelink ministerial submission No. 8677, dated 2 February 2001, concerning a police and Centrelink joint surveillance operation targeting suspected welfare fraud and tax evasion on cotton farms in the Goondiwindi district of Queensland? Can the minister confirm that, while the surveillance and identification of suspects took place in early November last year, warrants were not executed until late January? Noting that floods have not been put forward for the delay over the whole of the chipping and harvesting seasons, just what was the reason for this delay?

Senator VANSTONE—Senator McLucas, it won’t come as any surprise to you to know that Centrelink has a number of investigations going on at any one time. I am presuming on the basis of your question that you do support that: you support Centrelink ensuring that people are living up to their commitments and not telling any mistruths. As I understand it, your question goes to any delay in perpetrating or fulfilling an investigation. I will have to check with Centrelink as to the reason for any delay if in fact it was there and if in fact it is appropriate at this point to indicate what the delay might be. ‘Delay’ can be seen as a pejorative term. You can apply it to other people as if to say, ‘This was done later than it should have been.’ But I know from experience in my past portfolio that quite often the passage of a period of time which others describe as a delay is not in fact a delay but a purposeful decision as a consequence of the need to get some other type of information. I will make inquiries about that and I will come back to you about it.

Senator McLUCAS—Madam President, I ask a supplementary question. Could the operation have been delayed by the cotton farmers’ need to have their illegal work force on deck, as indicated by the following statement in the ministerial brief:

Operations of this type can have a detrimental impact on the ability of farmers to pick their crop. This is due to the disruption caused by removing workers from the field during the operation. However, in this instance the operations of the cotton farmers were not disrupted... as the operation was conducted at the end of the chipping season.

Was a law enforcement operation delayed to meet the employment needs of local farmers
using illegal labour and, if so, on whose orders or request?

Senator VANSTONE—That is a particularly pertinent question, if I may say. If I were to give a gold star to the first person who has asked me what appears to be on the face of it, without having checked the information, a very pertinent question, you would get it. I will get you an answer and give it to you as soon as it is appropriate for me to do so. I cannot say when that will be. It may be appropriate for me to get it immediately and give it to you immediately, but it may not be. There may be some reason why I cannot come back to you. But I will get you an answer and I will be pleased to have the answer myself. Thank you.

Child Care: Funding

Senator COONAN (2.03 p.m.)—My question is to the Minister for Family and Community Services, Senator Vanstone. Is the minister aware that to mark International Women’s Day the President of the ACTU, Ms Sharan Burrow, released a completely inaccurate survey of child care? Will the minister inform the Senate of the facts about child care?

Senator VANSTONE—Yes, I will in fact, and I thank the senator for her question. Child care is in fact a crucial plank in any policy designed to give women choice, so women do need the real facts. It is unfortunate, on a day on which we should be focusing on the achievements of women, that some people feel compelled to peddle what I regard as untruths and baseless accusations. I take the example of Ms Sharan Burrow, who has made what I believe to be a number of false claims about child care. That is inappropriate. Child care is a critical policy for women. It is one that everybody has an interest in, but women have a particular interest in it. Ms Burrow’s claim is that we have taken $850 million out of child care and that rising costs are making day care for children prohibitively expensive for working parents. She has also made the claim that low income families are dropping out of long day care.

The facts are this: child-care expenditure under this government is higher than under the Labor government. Over the last four years we have spent more than $4 billion. In real terms—although, since inflation is so low under this government, it is not such a credible distinction to make—this is over 30 per cent more than in Labor’s last four years. So if Ms Burrow has a concern about how much is spent on child care, I suggest she takes her concerns to the Labor Party and complains about the money they did not put into child care that they should have. In the four years to 2003-04, we will allocate a record $5.6 billion to child care. The number of child-care places has increased under this government, including community based long day care. There have been no cuts to the child-care funding provided by Labor. In fact we have spent more than Labor. Child care is cheaper for low income families under this government than it was under Labor.

Senator Chris Evans interjecting—

The PRESIDENT—Senator Evans, you are out of order shouting across the chamber. If you have something to say on the matter, an appropriate time could be made available for you.

Senator VANSTONE—Low income families have to spend less of their disposable income on child-care fees under this government than they did under Labor. In July 2001, a family earning $27,000 with one child in full-time long day care will pay 7.5 per cent of their income on child care. They paid eight per cent under Labor. In July 2001, a family earning $27,000 with one child in full-time family day care will pay two per cent of their income on child care. They paid six per cent of their income under Labor.

Child care usage is an important point. I do not have the data yet to be able to say at this point whether low income people are using long day care more often or less often—neither, incidentally, does Ms Burrow. However, the result of the first unbiased survey since the introduction of the child care benefit shows significant increases in the number of families using child care across the board. Also, as indicated, we also know that the child care benefit has made child care cheaper for low income families. The introduction of child care benefit has seen
the utilisation of long day care increase in Victoria, not decrease. Utilisation rates in long day care went up from 78.6 per cent in April 2000 to 89.9 per cent in October 2000. The labour force participation rate for mothers with young children has not decreased under this government. Frankly, the Australian Services Union survey is unrepresentative of Victorian long day care. It surveyed local government long day care centres and they represent only 16 per cent of the long day care services in Victoria. (Time expired)

Senator COONAN—Madam President, I ask a supplementary question. The minister has corrected some of the misconceptions about child care put about by others. Are there any other facts about child care about which the minister can inform the Senate?

Senator VANSTONE—The bottom line is that the number of families using child care has increased across the board, child care is more affordable for low income families and funding has never been greater. If the centres surveyed by the Australian Services Union find that low income earners are leaving their services and going to private operators, then that is something those centres need to address about the services they are offering. Sharan Burrow simply shows that she is prepared to play fast and loose with the truth for short political gain. Mr Beazley has done this recently in terms of the underhanded trick that has been played on pensioners in Australia, Dr Lawrence did it recently when she claimed that the earning position of women compared to men had declined and Mr Swan is a serial misleader of the aged in Australia.

Good Beginnings Program

Senator GIBBS (2.09 p.m.)—My question is to Senator Vanstone, the Minister for Family and Community Services. Why has the government recently de-funded the Good Beginnings program in the Latrobe Valley in Victoria? Isn’t it the case that programs such as the Good Beginnings program in Moe are critical in breaking the cycle of welfare dependence in struggling communities?

Senator VANSTONE—I agree with the senator with respect to the importance of the Good Beginnings program. It is a program that we were well on the way to funding in my previous portfolio and I believe it has received funding. You are frowning at me, Senator. Is this in relation to a crime prevention program? Good Beginnings are important there and this government was certainly looking to fund them. I am not sure whether that has been completed under the new minister. I understand that they were receiving money under my current portfolio. I am actually meeting with them this afternoon to see what more we can do to assist them.

In relation to the particular matter that you raised, Senator, the last advice I saw was that there were a number of applications for the service that was to be provided in that particular area and the Good Beginnings one did not get into the bucket that was being funded at that time. But you can take it from me that they do a good job. I will be looking to see where we can continue to assist them—within reason. They will not get funded if other people offer a better service at a better rate. You may understand—if you do not, I will repeat it for you—what an excellent job Good Beginnings do and how important their work is. I can give you my assurance of the value that I place on the work that they do in the community.

Senator GIBBS—Madam President, I ask a supplementary question. If the minister does believe that they are doing such a good job, can she confirm that the Good Beginnings program in Moe assisted some 133 families in February alone and that such programs are critical in providing local solutions to long-term family crises? Why won’t the government respond to calls from the member for McMillan and others to restore funding to the program?

Senator VANSTONE—In the event that the senator finds herself in a party that is in government and she has a ministerial position overseeing program funding, she will understand at that point—as I am sure some senators on the other side do—that it is not simply a case of saying, ‘I like this one and I like that one.’ There are processes to be followed. In this particular case, exactly what I have told you is correct. My advice is that there were investigations made of the people who could deliver the appropriate service
and in this case Good Beginnings did not get funded. But why don’t you stand up and tell the story about where they have been funded by this government? Are you putting a proposition, Senator, that every time someone is funded they should continue to be funded for every other application that they make?

Gambling: Netbets Report

Senator FERRIS (2.12 p.m.)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Alston. Is the Senate Select Committee on Information Technologies Netbets report an important input into the government’s consideration of the future of online gambling in Australia? Is it a fact that a particular member of the Senate select committee has now admitted having participated in this inquiry while on the board of an organisation that derives significant revenue from poker machines? Minister, what are the implications of this for policy formation?

Senator ALSTON—The first part of Senator Ferris’s question asked about the significance of the Senate Select Committee on Information Technologies report. That report, like a number of others, can be very influential in informing government policy and indeed the policy positions adopted by other parties. I am not saying always; it depends on the quality of the report. Those committee hearings do provide an opportunity for people to explore positions, test the evidence before those committees, put certain views and generally canvass important policy matters.

That is why it is a matter of particular concern that Senator Lundy yesterday put out a press release saying that she ceased being a board member of the Woden Tradesmen’s Union Club on 19 October 1999. In fact, she had filed a return on 3 September—that is about six weeks earlier—declaring that she was a director of the tradesmen’s club and it was not until 2 December that she filed a return deleting that directorship, with no reference to 19 October.

The date of 19 October just happens to be four days after Senator Lundy participated in a committee hearing where she asked the following question of the director of World Wide Wagering and Gaming Consultants Pty Ltd, Mr Alan Pedley:

You made some comments before about the location of EFTPOS machines within clubs where there are poker machines. What are your views on the availability of the mechanisms to transfer funds online and direct transfers perhaps into an online gambling site from an Internet banking service?

That may be an interesting academic question. It may be one simply seeking information but, if you happen to be a director of a club whose livelihood is 80 per cent dependent upon revenue and profits from poker machines, presumably you have the responsibility to act in the best interests of the club itself and therefore to protect its revenue sources. In those circumstances, if you are asking questions about the impact of interactive gaming on poker machines and EFTPOS machines within clubs where there are poker machines, that clearly has a very important relevance and a bearing on the position that might be adopted by the poker machine industry and particularly by the club of which you happen to be director. There are very significant financial interests at stake here for a club whose livelihood depends on the poker machine industry overwhelmingly, and if you are a director then presumably that is why you are pursuing a certain line of questioning. That is why the rules require that you disclose that directorship, and the time to disclose it, as Senator Julian McGauran did, is—

Senator Robert Ray—Not in the chamber, he didn’t!

The PRESIDENT—Order! Senator, you are out of order to be shouting.

Senator ALSTON—Senator Ray works himself up into a lather of indignation because he knows that Senator McGauran in fact disclosed it to the committee so that all the witnesses were on notice and everyone was aware where he was coming from. Senator Lundy had that opportunity and chose not to exercise it. She chose to simply pursue a line of questioning which was very relevant to the interests of the club on whose board she sat. This is not a trivial issue. This
is a matter for a full and frank explanation by Senator Lundy. It is not as if she has just been around here for five minutes. She knows what the rules of the game are. She knows the importance of the issue. I do not know why she chose to get off on 19 October—

The PRESIDENT—Order! Senator Alston!

Senator ALSTON—or when indeed she first decided— (Time expired)

Senator Faulkner—Madam President, I rise on a point of order. I point out to you that in question time for the last sitting fortnight Senator Alston has consistently ignored your rulings when you have called him to order and noted that his time has concluded. That is typical arrogance from Senator Alston; you have come to expect it. He is, of course, treating the chair with contempt in relation to this. He has done it again today, and I ask you to attempt to discipline him on this matter. It is sheer arrogance and contempt for the chair on the part of this minister. He ought to be sat down when his time has expired.

Senator Alston—Madam President, on the point of order: it is at times very difficult to actually hear what is being said because of constant interjections, heckling and sledger from the other side of the chamber. I apologise if the fact is that I do not always hear you calling me to order. I certainly accept the need to abide by the discipline of the chair, but I would have thought that approach should apply in spades to someone who has turned into an art form the ability to face directly away from you, to ignore what you say and, when you do say something, to laugh about it and turn around and snigger to his colleagues—in other words, to treat the chair with contempt. To think that the best someone like that could do in response to the question and answer before the chamber is to get up and behave in that way simply demonstrates that he is not serious about the point of order. He is simply try to distract attention from a very serious policy issue.

The PRESIDENT—Order! There are breaches of points of order in a number of portions of the chamber. In relation to this particular one, Senator, addressing the chair and taking notice of the chair would perhaps help you when the question period ends.

Rural Transaction Centres

Senator MACKAY (2.20 p.m.)—My question is directed to Senator Macdonald, the Minister for Regional Services, Territories and Local Government. I refer the minister to his admission in the Victorian Weekly Times of 28 February that his own promise of 500 rural transaction centres over five years was ‘silly in the extreme’? Did the minister realise he was being ‘silly in the extreme’ when, on 11 March 1999, he announced what he termed the government’s ‘flagship’ regional services proposal, the RTC Program, and when he said it would generate 500 RTCs over five years? Is it true that, in making these ‘silly’ promises, the minister was taking the approach he advocated in his briefing paper to shadow cabinet prior to 1996 when he said:

This gives us the flexibility of announcing a lot of major long term visionary matters but without committing ourselves to actually proceeding with them.

Senator IAN MACDONALD—First of all, I am glad to get a question from Senator Mackay. It so rarely happens that I am very pleased to receive it. I am pleased also that for the first time for a long time Senator Mackay is showing some interest in what is really a magnificent program for rural and regional Australia—that is, the Rural Transaction Centres Program. It is a community driven program for which the federal government, this government, has provided some $70 million to put back into the bush the sorts of services that left it under the Labor years—services like banking, Medicare Easyclaim, perhaps Centrelink services and access to the Internet to allow country people to be up to date with information technology and to allow them to keep up with the information world.

All we have had from the Labor Party, and from the questioner in particular, is carping, nitpicking and opposition. I remind the Senate that the Labor Party opposed this program, opposed funding for rural and regional Australians and opposed the initiatives of this government to put services back into the
bush. I know that the Labor Party presided over the closure of some 277 post offices in rural and regional Australia in the last six years of their government. But with the Rural Transaction Centres Program our government are determined to turn that around, and in fact we are doing that. In estimates and elsewhere, Senator Mackay has continually harped upon the number of 500. I keep telling Senator Mackay that she is silly in the extreme to carry on about that, because I have explained to Senator Mackay time and time again that this is a community driven program.

Senator Mackay—Madam President, I raise a point of order. The question I asked the minister is: can he confirm that he said his own target of 500 rural transaction centres at the expiration of five years was ‘silly in the extreme’? Could you please ask the minister to answer the question.

The President—There is no point of order.

Senator IAN MACDONALD—Time and time again in estimates and elsewhere I have told Senator Mackay that she is silly in the extreme for continuing to talk about 500 rural transaction centres when she knows—or she should know because I keep explaining to her—that it is a community driven program and there is funding there for up to 500 centres, which was our commitment and which has been honoured. The funding is there for up to 500—and even more—centres as communities apply for them. I will be announcing very shortly another round of successful applicants for this program. There will be some 62 communities who have funding for this program. There are over 300 communities who have taken advantage of this to look at the services they have.

In addition to what we have done, our emphasis on getting banking back into the bush has meant that institutions such as the Bendigo Bank and many of the building societies and credit unions have looked at country Australia anew, and they are expanding. I was delighted to read the other day that the ANZ Bank is now going to expand its network back into the country. Those are things that have happened because the government have emphasised the need to extend banking services and to put back into the bush those banking and other services that left during the Labor years. We will fund as many communities as want to have those services in their area. (Time expired)

Senator MACKAY—Madam President, I ask a supplementary question. I would remind the minister that he was the one who said that the 500 target was ‘silly in the extreme’, not the opposition. They are your words, Minister. Further, I ask: can the minister confirm that as of today, two years into this five-year program, there are in fact only 19 rural transaction centres up and running?

Senator IAN MACDONALD—I repeat that Senator Mackay is silly in the extreme to keep talking about 500. I would also invite Senator Mackay to visit one of these centres and have a look at how well received they are. A number will be opened very shortly, and I would expect you, Senator Mackay, to come along and show some interest in rural and regional Australia. Join in the enthusiasm of country people as they relish the government’s initiatives in transaction centre provision in rural and regional Australia. Apart from Senator Joe Ludwig, not one Labor senator has supported any of these country communities in getting these services back to the bush. I plead with Senator Mackay to show some support for country Australia and to get out and join the celebrations when these centres open. There will be many opening in the next few months. You are very welcome. Please come along. (Time expired)

Telstra: Rural and Regional Australia

Senator ALLISON (2.27 p.m.)—My question is addressed to the Minister for Communications, Information Technology and the Arts. Telstra announced yesterday a $2.6 billion profit for the first half of the 2000-01 financial year. Is it the case that less than half of that will be returned to shareholders through a dividend of 8c per share? How much of the remaining $1.6 billion kept by Telstra will be used to upgrade rural and regional infrastructure? The Besley report identified that services in
rural and remote Australia were still not adequate and that one of the specific problem areas was Internet access and data speeds. Will you be directing Telstra, as is your right, to invest in rural infrastructure so that those residents can access the Internet at the same speeds and with the same affordability as people living in the cities?

Senator ALSTON—I am interested to see Senator Allison making a return to the telecommunications arena but, unfortunately, with all her prior convictions for getting it wrong, she has it wrong again. It is not my understanding that less than half of the profit figure is to be returned to shareholders. I think the interim figure is 8c, which is the same as it was last year. Dividend policy remains at 60 per cent, which is very much in line with commercial norms. Therefore, shareholders continue to be the beneficiaries to the extent that it makes commercial sense after the company has made provision for other investments.

As Senator Allison should know, the commitment on capital expenditure in this current year is $4.3 billion. Of that, $1.4 billion will be spent in relation to the customer access network, and of that some $700 million will be spent on the access renewal program. Quite clearly, Telstra is in line not only with its own earlier commitments but also with what information it provided to the Besley inquiry. The Besley inquiry, of course, provided very valuable assessments of what is happening in regional and rural Australia.

It is a bit disappointing, I suppose, that Senator Allison does not seem to be aware of all those many initiatives that have resulted in additional mobile phone coverage. For example, some $25 million has been provisionally made available to Vodafone only recently for that purpose and there are untimed local calls in those outer extended zones for first time ever. It is a $150 million program that, again, is highly significant in terms of providing not only access for voice calls at local call rates but also access for Internet service providers at local call rates. That was a commitment that we gave in the lead-up to the last election and we provided funds to ensure that you would be able to get access at local call prices. That is a huge leap forward.

Senator Allison interjecting—

Senator ALSTON—For the Internet, that is what I said. Do you want me to spell the word ‘Internet’, do you? I am sure you have heard of it. I will say again for about the fifth time—

Opposition senators interjecting—

The PRESIDENT—Senator Alston—

Senator ALSTON—I will stick with what I have got, Madam President.

The PRESIDENT—just answer the question and do not be distracted.

Senator ALSTON—Quite clearly, Telstra’s commitments are very much designed to ensure that people in rural, regional and remote Australia have access to adequate services. That is the requirement that we imposed on the Besley committee of inquiry and that is the certificate that we obtained from them. There is always more that can be done and we certainly expect that Telstra will continue to do that—as I think Dr Switkowski committed the company to doing in his address yesterday. So we want to see year-on-year improvements. We want to see people continuing to get access to a wide range of services, whether they be the traditional plain old telephone service, mobile phone coverage or high-speed Internet access. Senator Allison may have forgotten this, but we provided a digital data capability which ensures that people have an ISDN connection—96 per cent of the population have it and the other four per cent have an asymmetric satellite download link at an equivalent speed. Quite clearly, people in rural Australia are much better off than they ever were before, and Telstra is playing a very important part in ensuring that they continue to benefit.

Senator ALLISON—Madam President, I ask a supplementary question. Minister, isn’t it the case that the ISDN service that you so often talk about means that people in country areas have to pay Telstra the full and very expensive commercial rates compared with Australians living in cities who use a standard telephone line? Minister, how is it that Telstra is able to make record profits annually even though it is so constrained by ma-
motion public ownership? Isn’t it the case that these profits are well in excess of any interest the government is currently paying on public sector debt? Have you thrown out the debt relief argument for privatisation and, if so, why is the government still so keen to sell the rest of Telstra?

Senator ALSTON—It is hard to know where to start and finish, Madam President. Perhaps the most appropriate point would be to simply inform Senator Allison that the mere fact that a company makes a profit is not a reason for being satisfied with that particular outcome. If it can do better then of course it should strive to do so. We certainly believe that Telstra needs to be able to operate in a way that does not impose unnecessary obligations on it. But we certainly take the view that what is most important at the present time is to ensure that services in regional and rural Australia are adequate and that if there are problems they are properly addressed, and we will of course be providing a plan of action to do just that.

Agriculture: Importation of New Zealand Apples

Senator FORSHAW (2.33 p.m.)—My question is directed to Senator Hill, the Minister for the Environment and Heritage and Leader of the Government in the Senate. Does the minister recall Senator Alston’s answer yesterday on the issue of the import risk assessment of New Zealand apples when he stated:

... the government supports a consultative process which will give all the key stakeholders the opportunity to have a serious input ...

Can the minister confirm that officers of his department, in evidence to a Senate committee hearing on 28 February, criticised Biosecurity Australia for failing to both properly consult on this important matter and not properly consider the evidence? Doesn’t this prove that decisions on this matter have been made on the run, particularly considering the environment department’s view that their submission and those from state governments had been treated as, to quote Minister Alston, ‘not worthy of proper and detailed examination’?

Senator HILL—Obviously I am aware of the submission made by my department. I sighted their submission before it was launched.

Senator Schacht—But did you read it?

Senator HILL—I read it carefully, Senator Schacht, which is more than you used to do when you were a minister. What the department has done is not inconsistent with what Senator Alston said yesterday.

Senator Schacht interjecting—

Senator HILL—What we are going through is a period of community consultation on this particular process. Exactly what the honourable senator wishes to occur is now taking place. The Senate committee process is an example of how the community in this instance is getting an extra opportunity to participate within this process. The response by Minister Truss yesterday—certainly the basis of the question to and answer by Senator Alston yesterday—is consistent with the fact that a broadly based community consultation process should be undertaken in order that all points of view are properly known and appreciated before a final decision is taken on this matter. That is exactly what is occurring.

Senator FORSHAW—Madam President, I ask a supplementary question. I am pleased to hear the minister indicate that he sighted the submission. The point, Minister, is that all of that should have happened before the draft IRA was released. Can the minister also confirm that his department formally requested Biosecurity Australia to refer this draft IRA to him as environment minister under the Quarantine Act but that request was refused? Has the minister sought consultations with the minister for agriculture on this matter, and how will you, Minister, ensure that the agriculture minister has more regard to the statutory and consultative role of the environment department and the minister? He has not done so to date.

Senator HILL—It is true that it was not referred to my department at that early stage, and it is true that we had sought it. I commend the honourable senator upon his leaks. In this instance, they are valid. Be that as it may, the important thing at this stage is that
there is an adequate process of consultation—that all stakeholders who wish to put a point of view have the opportunity to do so and that it is comprehensively and effectively analysed as part of the risk assessment process. Whatever may have occurred in the early stage of this particular matter, I am confident that that is now occurring.

Queensland: Clearing of Native Vegetation

Senator MASON (2.38 p.m.)—My question is to the Minister for the Environment and Heritage, Senator Hill. Will the minister inform the Senate of irresponsible actions by the Queensland government that threaten Australia’s native vegetation? Is the minister aware of claims by the Queensland Premier that the Commonwealth has not offered financial support to help compensate landholders affected by land clearance controls? What has the Commonwealth offered? Is the minister aware of any alternative policy proposals?

Senator HILL—Mr Beattie cannot pass the buck on this one. There are 450,000 hectares of land being cleared in Queensland each year. Since Mr Beattie has been in government, we believe the rate of clearing has increased. Every other mainland state government has legislative restrictions on broadscale land clearing—every one other than Queensland.

Senator Bolkus—What happened previously in Queensland?

Senator HILL—The question was put to me from the other side: what happened previously in Queensland? Why don’t we concentrate on the person who has the power today and who, in his second term of government, has had the power for some time to do something about it? Every other state government has regulatory controls over broadscale land clearing. Will Mr Beattie act responsibly in the case of Queensland? No.

Senator Bolkus—You’ve recognised the need for more resources.

Senator HILL—Senator Bolkus should be particularly concerned because we believe that 200,000 hectares of land clearing is occurring in the Murray-Darling Basin. We know about all the environmental health problems in the Murray-Darling Basin. What is happening in Queensland? In the northern part of the basin, 200,000 hectares of land continues to be cleared. Mr Beattie will not meet his responsibility. At least one would have thought that the federal Labor Party would have told him to do so. But will Mr Beazley or Senator Bolkus come out and say Mr Beattie should meet his responsibility? No.

Senator Bolkus interjecting—

Senator HILL—It’s a joint venture. You’ve already recognised that.

Senator HILL—What about Senator Brown? Will he demand that Beattie take action? The answer is no. What did he do? He suggested to federal Labor that it should do something in the future and then he will give Green preferences—not to call upon the party with the immediate responsibility to act but to call upon somebody else. Yesterday, Senator Bolkus and Senator Brown sat down and did a little deal. But poor Senator Brown got it totally wrong, because federal Labor said, ‘We will put on a cap’—‘we’ at the Commonwealth level—‘in five years time.’ Two million hectares will be cleared in the meantime. What did Senator Brown say to that? He said, ‘Labor’s announcement is just great.’

Senator Bolkus interjecting—

Senator HILL—It is all right for Senator Brown to smile on this one, because he has made a fool of Senator Brown.

Honourable senators interjecting—

The PRESIDENT—Order! The level of noise is far too high. There are too many people shouting in the chamber.

Senator Bolkus—Wilson Tuckey—

The PRESIDENT—Senator Bolkus, I have drawn the chamber’s attention to its behaviour, and that includes you.

Senator HILL—At the very least you would have thought that Senator Brown would have demanded a clear and unambiguous statement from Mr Beazley that the federal Labor Party demands the Queensland government to act. But, no, apparently he did not even ask for that. Furthermore, Senator Bolkus said, ‘We’ll act in five years time, and we’ll give you a cap of 1,000 hectares
Senator Bolkus—You are totally wrong.

The President—Senator Bolkus, I remind you once more of your behaviour. There is an appropriate time for you to debate this matter if you wish to do so. It is not during the minister’s answer.

Senator Hill—What about the huge backlog of permits? What did Senator Brown get out of Labor on that? Again, absolutely nothing. For the benefit of Senator Brown, new permits in Queensland are clear—(Time expired)

Distinguished Visitors

The President—Order! I draw the attention of honourable senators to the presence in the President’s gallery of a delegation from the Canadian provincial parliament of Saskatchewan. On behalf of honourable senators, I have pleasure in welcoming you to the Senate and trust that your visit will be informative and enjoyable.

Honourable senators—Hear, hear!

Questions Without Notice

Health Services: Positron Emission Tomography

Senator Denman (2.43 p.m.)—My question is to Senator Vanstone, representing the Minister for Health and Aged Care. Given that the minister has failed to answer a question she was asked on 8 February, I ask her again: Minister, can you confirm that the tender process for Positron Emission Tomography scanners has stalled and no progress is being made in getting this much-needed new technology into public hospitals? Are patients in Australia’s public hospitals now paying a second price for the MRI scan scam because Minister Wooldridge is unable to make a decision, creating a massive backlog in capital equipment provision in public hospitals?

Senator Vanstone—I thank Senator Denman for her question. Senator, if there is a question on notice that you have not yet received an answer to, I will go back to Dr Wooldridge and ask him what the problem is. But I do have some information on the positron emission tomography review recommendations, which I think you are interested in. The Commonwealth’s review of PET was completed in August 2000, and Dr Wooldridge agreed to the implementation of its recommendations, including a competitive tender process to fund seven PET sites nationally. There was a recent article in the Sunday Age about the PET facility at the Peter MacCallum Cancer Institute in Melbourne and that facility’s concerns about the time taken to introduce the new funding arrangements. Dr Wooldridge is keen to see that those who make such criticisms are reminded that a tender approach to funding medical services is unprecedented in Australia. The details of the process have to be worked out very carefully and in close consultation with the profession to ensure probity, transparency and the best possible outcome.

Dr Wooldridge’s department is developing selection criteria for the tender, including rigorous accreditation standards and structured data collection. PET sites must meet these requirements to be eligible to tender. The PET facility at the Peter MacCallum Cancer Institute will have its chance to tender on an equal footing with other PET facilities in Victoria as soon as the department is satisfied that the tender process meets the high standards required. Dr Wooldridge anticipates that the tender process will be completed and the facilities to receive funding notified by July this year—whether it will be at the end or the beginning of July, I am not sure. In addition, as recommended by the review, the Medicare Services Advisory Committee is evaluating the role of positron emission tomography in six other clinical indications. The new arrangements for positron emission tomography will be reviewed in three years time to determine what further action, if any, is required.

Senator Denman—Madam President, I ask a supplementary question. Minister, do you realise that it is now a year since the MRI report by Dr Blandford was completed and three months since the tender process for
new MRI machines was supposed to commence? When will the government stop treating the public with contempt by maintaining a veil of secrecy over the MRI tender process?

Senator VANSTONE—I will take that portion of the senator’s question on notice. But I do ask the senator to bear in mind when she uses such colourful language as ‘contempt’ that Labor did nothing to help rural people with respect to medical services. They did nothing to help immunise Australian children. They did nothing to adequately fund the hospital system. They did not do anywhere near enough for indigenous health and they ignored the private health system for 13 years. So, Senator, if you want to talk about which party is contemptuous of the health of Australians, I think you will find you are sitting in it.

Aboriginals: Health and Welfare

Senator WOODLEY (2.48 p.m.)—My question is to the Minister representing the Prime Minister on matters of national interest, Senator Robert Hill. Minister, are you aware that Maningrida is an Aboriginal community in the Northern Territory whose population fluctuates between 2,200 and 2,500 each year? Minister, is the government aware that, due to poor housing and little or no access to running water, there is a major outbreak of tuberculosis in the community? Is it not true that federal funds are provided to the Northern Territory government to manage such diseases? How are these funds being used? Are they being directed to meet the needs of tuberculosis control, management and eradication in Maningrida? Why is there such a problem?

Senator HILL—I know a little about this matter. Tuberculosis has been a significant problem in the Maningrida community for some years. I understand that the number of TB cases has been relatively stable over the last 10 years. It varies from year to year, but at least there is a stable pattern. In 1999 there were no cases, in 2000 there were 12 and this year there are five active cases. Obviously any case is unsatisfactory, and all parties that have an interest in this matter should be endeavouring to end TB within that community as soon as possible. When I talk about ‘all parties’ I really see that as a partnership between the Commonwealth and its health responsibilities, the Northern Territory state health people, the health workers themselves—the doctors, nurses, et cetera—and the community. With all these parties working together, I think we have the best chance of arresting and ultimately ending TB within this community.

The honourable senator asked how it is being addressed from a medical point of view. As I understand, there is at the moment a nursing staff of seven. Under the rural work force agency, efforts are being made to recruit an additional GP, which fills the quota of two GPs. I understand that one nurse who was a dedicated TB nurse left a little while ago, and that vacancy is being compensated through visiting nursing facilities. That is the medical side of it, but I do think Senator Woodley referred in his question to issues of water and housing. I think that is all part of the formula that is necessary to ultimately arrest TB within the Maningrida community—something we would all wish to see occur as soon as possible.

Senator WOODLEY—Madam President, I ask a supplementary question. I thank the minister for his answer because I think it was a good answer. I would say one thing though, Minister: I understand it was the Northern Territory’s actions that abolished the TB clinic nurse position within the Maningrida community.

Senator Conroy—Now we see what a tame Democrat looks like.

Senator WOODLEY—Senator Conroy, I am sure you will get a chance to ask a question one of these days.

Honourable senators interjecting—

The PRESIDENT—Order! Senator Woodley has a supplementary question.

Senator WOODLEY—Minister, does the federal government intend to discover what has happened to that clinic nurse’s position? If, in fact, the Northern Territory government has abolished that position, will the government ensure that it is reinstated?

Senator HILL—Our view is that it should be reinstated, and we believe that funding sources are available to enable that
to occur. In particular, as I understand it, the establishment of the Maningrida Health Board—one of our objectives—has been slower than what we would have anticipated. Some budgetary capacity may result from the board not being set up within the expected time frame. That may well be a possible source of funding which, at least in the short term, would enable the extra nurse position to be reinstated. That is something that we wish to occur.

**Government: VIP Aircraft**

Senator FAULKNER (2.53 p.m.)—My question is directed to Senator Minchin, in his capacity representing the Minister for Defence. Has the minister’s attention been drawn to the reported remarks of the Prime Minister concerning the need to replace the VIP aircraft fleet, consisting of two Boeing 707s and five Falcons? The Prime Minister is quoted as saying, ‘The reason we are getting new planes is that the present ones are almost to the point of being dangerous. If you are not worried about me, think of the people who fly them.’ Minister, in light of the Prime Minister’s concern for the crew of these aircraft, will you assure the Senate that all of these aircraft, including the 707 mid-air refuellers, will cease flying at the same time as the VIP aircraft are removed from service? Will the government ensure that no ADF personnel will be flying in aircraft described by the Prime Minister as ‘almost dangerous’?

Senator MINCHIN—I think it goes without saying that of course this government would not want, or allow, its personnel to be flying in aircraft or operating equipment regarded as dangerous. We place the lives of our service personnel at the utmost importance and are absolutely dedicated to their safety and welfare. The withdrawal of the 707s from the VIP fleet and the issue of the refuelling aircraft is operational questions that I am not equipped to answer, but I will investigate and get an answer back to Senator Faulkner.

Senator FAULKNER—I appreciate the minister’s offer to provide some more information. Madam President, I ask a supplementary question. Can the minister confirm now, or on notice, that the existing VIP fleet is expected to continue to be used by the Australian Defence Force for some years to come, in particular because there are no replacement aircraft for the mid-air refuellers? Why did the Prime Minister use the safety argument for the withdrawal of the VIP fleet from service rather than the more reasonable arguments regarding age, noise levels and so on?

Senator MINCHIN—At the time this cabinet decision was made—and I think the opposition actually supported this decision at the time—it was said that the existing fleet was being replaced for a number of reasons, including reliability, fleet flexibility, comfort and safety. Of course, the restrictions at major airports because of the noise from these aircraft and the reliability and operating costs of the 707s for the transport of personnel have become major issues, and that is why they will be progressively withdrawn through the course of 2002. I do not have information on the questions of the use of the aircraft for personnel or on the aircraft used for refuelling and the rate at which they are being withdrawn, but I will get that to Senator Faulkner.

**Regional and Remote Australia: Services and Communications**

Senator McGAURAN (2.56 p.m.)—My question is to the Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald. Will the minister outline government initiatives introduced since 1996 that benefit services and communications for regional and remote Australia, and is the minister aware of any alternative policies?

Senator IAN MACDONALD—Senator McGauran will know that this government has an enormous number of programs for rural and regional Australia. He will be very appreciative of our $564 million More Doctors, Better Services program and the $1.6 billion Roads to Recovery program, and there are many others. Perhaps the most important facility for those of us who live in rural and regional Australia is information technology and telecommunications. That is why I am delighted that we have given $25 million to expand mobile phone coverage along the highways, $150 million to provide
for untimed local calls and some $36 million to provide access to the Internet at local call rates. That will allow those of us in rural and regional Australia to click on anywhere, get information we want about the government or anything else and be up to date with the latest information.

Senator McGauran also asked whether I was aware of any other policies for rural and regional Australia. I was not, so, as a rural and regional Australian, I looked on the Internet to see if I could find some other policies. I thought to myself: where should I go? I thought I should go to the Labor spokesman’s web site. So I clicked the web site of Senator Sue Mackay, Labor Senator for Tasmania and shadow minister for regional services. On that web site is a link to ‘Programs and Services for rural and regional Australia’ and I thought: you beaut—at last I will be able to find out what the Labor policies are for rural and regional Australia! So I clicked on the link to the site, which is a very informative site and, lo and behold, what came up? Under regional Australia we have this heading ‘$1.6 Billion Investment in the Nation’s Roads’. It says:

On 27 November 2000, the Prime Minister John Howard and Minister for Transport and Regional Services John Anderson unveiled a $1.6 billion boost...

And so it goes on. I said to myself that this is taking the terminology ‘Australian lazy party’ to new heights because Senator Mackay’s policy seems to be my policy. As I clicked through Senator Mackay’s web site, I found that all her policies are in fact my policies. I thought I would be interested to find out what her local government policy is, because she shadows me as the local government minister. I found there again that Senator Mackay talks about major road funding initiatives for local government—$1.6 billion.

 Honourable senators interjecting—

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

 Honourable senators interjecting—

 The PRESIDENT—Order! The Senate will come to order and will proceed with question time.

 Senator IAN MACDONALD—Thank you, Madam President. I can understand why the Labor Party are trying to disrupt the Senate. But as you go further and further into Senator Mackay’s web site, looking for the Labor Party’s policies, all you get is government policies. I have to say that I am delighted to see that Senator Mackay apparently endorses and supports them. That is fabulous to see. Would you believe that not only do they support our policies but also they apparently support our criticisms of Labor Party policies. If you look at Senator Mackay’s web site, you will see a press release that looked familiar to me. It says ‘Labor’s rhetoric does not mean action’. It goes on to criticise the Labor Party for closing 277 postal outlets in the last six years of the Labor Party government. I did not get this off my web site; I got this off Senator Mackay’s web site. It is a stinging endorsement of the government’s policies and a rounding criticism of the Labor Party’s lack of action and lack of any sorts of policies for rural and regional Australia. Senator Mackay, if you are too lazy to do it yourself, the best thing to do is just follow our policies. (Time expired)

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

 Senator Ian Campbell—I ask the minister to table the piece of paper he has been reading from.

 Senator Ian Macdonald—I table all of those documents.

 Senator Faulkner—He can’t do that.

 The PRESIDENT—Order! The minister can table any paper that he likes.

 Senator Faulkner—He just can’t do that.

 The PRESIDENT—Order! I have pointed out that a minister can table any document that he wishes to.

 Senator Faulkner—On a point of order, is it proper for any senator in the chamber to stand up and seek the call like that after question time after Minister Hill has indicated that further questions be placed on notice?
The PRESIDENT—Senator Campbell sought to make a point of order. There is no point of order.

Senator Faulkner—He did not take a point of order.

The PRESIDENT—He did take a point of order and there was no point of order. I pointed out that the minister may table documents if he wishes to do so.

Senator Faulkner—My point of order is this: the Leader of the Government in the Senate had asked that further questions be placed on notice. Question time is over; it is finished—kaput.

The PRESIDENT—I know question time is finished.

Senator Robert Ray—I rise on a point of order. You were right, Madam President, to say that there was no point of order; you were right to point that out. But you should have admonished Senator Ian Campbell for getting to his feet and making a false point of order. That was the point. He did that simply to get the call and he was not entitled to it. So, whilst your ruling is right, when someone raises such a false point of order merely to get the call, you have to say so.

The PRESIDENT—It does happen from time to time that people seek to take a point of order when they know it is not appropriate to do so. It happens on both sides of the chamber.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Aged Savings Bonus: Repayments

Senator VANSTONE (South Australia—Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (3.05 p.m.)—On 8 February I was asked a question in my capacity as Minister for Family and Community Services by Senator Denman in relation to the savings bonus. I seek leave to incorporate the answer in Hansard.

Leave granted.

The answer read as follows—

Senator Denman asked the Minister for Family and Community Services on 8 February 2000: Can the Minister confirm that nearly 2,000 retired Australians who received money from the Government’s savings bonus have been ordered to pay it back? Is it a fact that the letters of demand issued to the pensioners were delivered up to two months after the money had been paid and no reasons were given for the demand to return the money?

Could you advise me how the Government will assist low-income pensioners who have already spent the bonus and who will experience hardship trying to pay it back?

The answer to Senator Denman’s question is as follows:

In total over 2 million older Australians have been paid the savings bonuses. A very small proportion of those paid the bonus (3,173, or 0.15 per cent) have incurred an overpayment. Almost all of the overpayments (3,122) were made to Australian Taxation Office claimants. There are two main reasons why this occurred:

a) many bonuses were paid based on individuals’ self-assessed tax returns but their tax liabilities were later amended and their entitlement was found to be less than they had claimed initially; and

b) a number of customers claimed and received bonuses based on their 1998-99 income, but when they lodged their 1999-2000 tax returns their income from business or wages was over the allowable limit.

Some individuals who applied for and received the bonuses prior to lodging their 1999-2000 tax returns may have received letters seeking repayment of their bonuses. These letters could be received up to two months after the money had been paid, depending on the time lag between when the individual received the bonus and when details of their actual income became available.

The letters were sent by Centrelink, which manages debt recovery relating to savings bonuses for the ATO.

Each customer received a two-page letter. These letters detailed the size of the debt, provided a statement of the origin of the debt, specified the date by which it needed to be recovered and offered two methods for payment. The letter provided a number of avenues for further enquiry; an ATO number to follow up individual case details; several Centrelink contacts; and clearly outlined processes for appeal to the Commissioner of Taxation.

The letters invited customers who might foresee any difficulty in repaying the debt to contact a specific Centrelink number to discuss this matter. If any of these people are experiencing hardship they will be able to negotiate repayment arrange-
ments with Centrelink that will take account of their particular financial circumstances.

In addition to the ATO cases, there were 51 people who received an Aged Persons Savings Bonus from Centrelink and then incorrectly claimed the Self Funded Retiree Supplementary Bonus from the ATO. The legislation specifically precludes income support recipients from getting the Self Funded Retiree Supplementary Bonus. The letters to Centrelink customers in June 2000 were very clear about the eligibility criteria.

**Aged Persons: Savings Bonus**

**Senator VANSTONE (South Australia—Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (3.05 p.m.)—**On 8 February I was asked a question by Senator Murphy in relation to the savings bonus. I seek leave to incorporate the answer in *Hansard*.

Leave granted.

The answer read as follows—

**Senator Murphy** asked the Minister for Family and Community Services on 8 February 2000:

Can the Minister inform the Senate why thousands of retirees who have income from savings and investments are being denied the $1,000 savings bonus because they have tax losses on those investments? Didn’t the Government’s policy material specifically promise eligible older Australians ‘a bonus paid at the rate of $1 for each dollar of annual savings and investment income’. Where is the mention of ‘offset against tax losses’?

Can you provide information about where in the policy material the Government did advise Australians on that matter. Also, if it is not in the material, when did the Government first inform retirees that the bonuses would be offset against any tax loss?

The answer to Senator Murphy’s question is as follows:

The ANTS (Bonuses for Older Australians) Act 1999 outlines how savings and investment income is to be calculated.

Sub-section 35(1) of the Act covers how adjusted savings and investment income is worked out for people claiming through the Australian Taxation Office. It states that adjusted savings and investment income is worked out by subtracting from savings and investment income “the sum of the individual’s deductions for the year, to the extent that the deductions relate to any or all of his or her savings and investment income...if the final result is nil or negative, the individual does not have any adjusted savings and investment income.”

The legislation was passed by this Parliament. It makes clear why some people have not qualified for a bonus.

The bonus claim forms sent out by the ATO stated that savings and investment income would be reduced by the deductions claimed against that income. The first notification of this was included in a booklet mailed on 15 June 2000 to potential ATO claimants of bonuses. That booklet explained the definition of income which would be used in the calculation of entitlement by the Tax Office.

**Goods and Services Tax: Pensions**

**Senator VANSTONE (South Australia—Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (3.05 p.m.)—**On Monday, 26 February I was asked a question by Senator Evans in relation to pensions. I seek leave to incorporate the answer in *Hansard*.

Leave granted.

The answer read as follows—

**Senator Evans** asked the Minister for Family and Community Services on Monday, 26 February 2001:

Can the Minister explain how much of the $485 million of taxpayers’ money spent by the Howard Government on prime TV ads and glossy brochures to publicise the new tax system was actually spent on alerting Australia’s 2.6 million pensioners to the fact that half of the GST compensation would be clawed back nine months after the GST impacted on their purchasing power?

The answer to Senator Evans question is as follows:

FaCS spent $4,708,081 on advertising tax reform elements that were the responsibility of my portfolio. This is the overall figure and it is not possible to specify how much was spent on tax reform advertising that was specific to pensioners.

This was on top of the extensive information that the ATO provided to the public through its media campaign, the Essentials magazine, facts sheets and other PR products.

In addition, Age Pension News has been a key source of information for pensioners. The Age Pension News is produced quarterly, and is sent to 2.2 million recipients, including community groups and self-funded retirees. Explanations of the GST compensation package for pensioners were included in the June/July 1999 edition, the September/October 1999 edition, the December
FaCS undertook community briefing via printed products and seminars for peak bodies, which were another source of information on tax reform compensation and the indexation process for pensions.

**Centrelink: Child Care Benefit**

Senator V ANSTONE (South Australia—Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (3.05 p.m.)—On 6 March I was asked a question by Senator Woodley in relation to the child care benefit. I seek leave to incorporate the answer in *Hansard*.

Leave granted.

The answer read as follows—

**SENIOR WOODLEY** asked **MINISTER VANSTONE** the following question:

Delays in Centrelink processing of Child Care Benefit reimbursements to child care centres. Result of Centrelink processing payments system, many operators faced with closure. When will government give more resources to Centrelink so inadequacies can be overcome?

Response

The introduction of Child Care Benefit has made child care more affordable to families. The introduction of Child Care Benefit has been a great success with many more families now using child care services.

Centrelink is responsible for paying child care providers the amount of entitlement claimed by families through Child Care Benefit. Centrelink makes an advance of Child Care Benefit to providers every month to allow providers to pass on fee reductions to families. At the end of each quarter, child care providers submit claims based on the usage pattern of families for the quarter. The claimed amount is then acquitted against the advance previously made to the provider.

All eligible providers have received advances for the July-September 2001, October-December 2001 and January-March 2001 quarters. All eligible providers will receive advances for the April-June 2001 quarter, the first monthly payment to be made on 2 April 2001.

Centrelink has experienced some delays in processing the acquittal claims for child care providers. These delays have been caused by the implementation of a new and improved payment system.

Centrelink can assist any providers with a cash flow problem because of increased demand for child care by providing a quick extra advance payment. This process ensures that no provider is financially disadvantaged by any acquittal processing delay. Centrelink is able to provide one-on-one assistance to providers who seek advice about the new processing arrangements.

Centrelink is undertaking an urgent review of processing arrangements to improve the efficiency of the processing of child care provider payments.

**Aged Care: Accommodation Places**

Senator V ANSTONE (South Australia—Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (3.05 p.m.)—On 6 March I was asked a question in my capacity as Minister representing the Minister for Aged Care by Senator Evans in relation to aged care accommodation places. I seek leave to incorporate the answer in *Hansard*.

Leave granted.

The answer read as follows—

**SENIOR VANSTONE** - 6 March 2001

AGED CARE: ALLOCATIONS PLACES

**SENIOR EVANS** - My question is to Senator Vanstone, the minister representing the Minister for Aged Care. Who is responsible for the inaccurate and incomplete information the government has released on the latest allocation of aged care places, which the government claims are worth $200 million? Is the minister aware that providers’ names have been omitted from this information, and facilities which in many cases do not yet exist have been listed as the recipients of the allocations? Is she aware that, for example, according to the Government’s published information, $2.6 million in bed licences has been allocated to a closed bowling club at a vacant block of land in Victoria? Finally, can the Minister confirm that it was the Minister for Aged Care who directed her department to withhold the information which would actually make it possible to identify the facilities and the operators who have benefited from the latest allocation of aged care places?

**SENIOR VANSTONE** - The Minister for Aged Care has provided the following answers to the honourable senator’s questions in accordance with the information provided to her:

As a result of the 2000 Aged Care Approvals Round, more than 700 aged care providers were
granted over 14000 new aged care places. All applicants were advised of the results of the Aged Care Approvals Round and the Department of Health and Aged Care published details of Approved Services on the Internet in late January. 

In the first instance, the Department concentrated on publishing locality details of new approved homes to allow communities to see what had been approved in their local area. This information is accurate as is the stated value of the places and capital of over $200 million. The Department intends to add the names of the successful Approved Providers to the existing list published on the Internet by the end of the week.

Seventy-five residential aged care places were allocated to Parkwood Rest Home Pty Ltd to build a new home on the site of former Bowling Club to specifically cater for Veterans. The RSL actively supports the application and is involved in the design of this home which is expected to become operational in the next two years as is required.

Pharmaceutical Benefits: Celebrex

Senator VANSTONE (South Australia—Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (3.05 p.m.)—On 7 February I was asked a question in my capacity as Minister representing the Minister for Health and Aged Care by Senator McLucas in relation to Celebrex. I seek leave to incorporate the answer in Hansard.

Leave granted.

The answer read as follows—

COSTING ESTIMATES FOR PBS SUBSIDY OF CELEBREX

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

SENIOR VANSTONE – The Minister for Health and Aged Care has provided the following answers to the honourable senator’s questions:

1. The process for the pricing and listing of new drugs is a two staged process.

In the first stage, the PBAC is responsible for advising whether a drug should be listed, taking into account comparative clinical effectiveness, comparative safety and comparative cost-effectiveness. The PBAC does not recommend on pricing directly to the Government. It provides advice to the Pharmaceutical Benefits Pricing Authority (PBPA) on clinical effectiveness and cost effectiveness aspects of items.

At the second stage, the PBPA is responsible for advising the Minister on the prices and financial implications of new drugs recommended by the PBAC for listing. In making its recommendations, the PBPA takes into account the advice from the PBAC and adds to this consideration of another published set of factors.

The Minister (or whole of Government in the case of expensive items) considers recommendations from both committees together and decides accordingly. In considering these recommendations the Minister also takes into account advice from the Department.

In the case of Vioxx, the PBPA took into account the advice on clinical effectiveness and cost-effectiveness from the PBAC. As Vioxx was an alternative to Celebrex the PBPA recommended that it should be priced in line with Celebrex. The recommendation on price from the PBPA was accepted by Government.

2. The PBAC’s advice on Vioxx was consistent with its advice on Celebrex and this advice was taken into account by the PBPA in recommending an appropriate price.

3. No.

4. On the recommendation of the Department and the PBPA, the Minister approved the recommended price of Vioxx. Any lower price would have meant that Vioxx would not have been listed on the PBS and patients would have been denied access at a subsidised price.

GENE TECHNOLOGY CROPS: TASMANIA

Return to Order

Senator VANSTONE (South Australia—Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (3.05 p.m.)—I seek leave to incorporate a response to an order for the
production of documents relating to gene technology.

Leave granted.

The response read as follows—

SENATOR VANSTONE:

Further to the motion passed by the Senate yesterday, the Minister for Health and Aged care has advised me as follows:

- Until the Gene Technology Act 2000 takes effect from 21 June 2001, there is no capacity to prosecute for non-compliance with GMAC recommendations, which are issued under the voluntary system of controls for GMOs. We are, however, aware of the operation of the Tasmanian Plant Quarantine Act. Prosecutions under that legislation are a matter for the Tasmanian government.

GMAC has assessed the risks arising from non-compliance with GMAC recommendations on trial sites in Tasmania and advised that the risks to the environment are negligible and that there are no increased risks to public health and safety. Remedial actions, to minimise the negligible risks, include:

- A further three Years post trial monitoring to find and destroy any emerging volunteers before they flower
- A gene flow study of related weeds in the vicinity of non-compliant sites to determine if pollen has moved off-site.

Action in response to this breach was swift, and taken in consultation with GMAC and States and Territories including Tasmania.

- The Interim Office identified the first instances of non-compliance with GMAC recommendations in monitoring visits conducted on 14 February 2001. These monitoring visits continued through until 23 February 2001. The Office of the Hon Dr Michael Wooldridge was first advised of the non-compliance issue on 15 February 2001. The IOGTR sent a minute to the Minister outlining the extent of non-compliance on 20 February 2001. The Minister is concerned by the evidence of non-compliance in Tasmania and supports the IOGTR’s actions (which were taken in consultation with Tasmania and other States). The Government awaits with interest the full report on the IOGTR’s investigation.

- The current voluntary system, underpinned by GMAC evaluations of risk, is based on assessing risks to the environment and to human health. As with other national regulatory systems, including the Gene Technology Act 2000, matters of economic costs and benefits to either the agricultural sector or any other sector are matters appropriately dealt with by state governments.

- The Government is able to provide details about the local government areas within which trials are conducted. Should Senators require additional detail on site locations, they should direct such requests to the Tasmanian Government, which has a legislative framework under the Plant Quarantine Act, for accessing such details as part of an investigation under that legislation.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Indonesia: Maluku Islands

Senator HILL (South Australia—Minister for the Environment and Heritage) (3.05 p.m.)—I have some further information for Senator Harradine in response to a question he asked me on 5 March. I seek leave to have that information incorporated in Hansard.

Leave granted.

The answer read as follows—

On 5 March Senator Harradine asked the leader of the Government in the Senate, Senator Hill the following question:

Senator Harradine—Madam President, I ask a supplementary question. I envy those fast talkers in this place who can get their first question out in a minute. I thank the minister for his answer. At what level will the representations be made?

Response:

Senator Hill—The Minister for Foreign Affairs, the Hon Alexander Downer MP, has provided the following response to the Senator’s question. The situation in the Malukus has been discussed most recently by our Ambassador with the Vice President and with relevant senior ministers. In future, the issue will continue to be raised with Indonesian authorities at all levels.

Public Transport: Funding

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (3.05 p.m.)—On 5 March Senator Greig asked me a question in my capacity as Minister representing the Minister for Transport and Regional Services about expenditure by the United States government on mass transit projects and the Australian federal government expenditure on rail and urban public transport. Mr Anderson has provided me with some information. I seek leave to incorporate the response in Hansard.

Leave granted.

The answer read as follows—

On 5 March 2001 Senator Greig asked me a question in my capacity as Minister representing the Minister for Transport and Regional Services about expenditure by the United States Government on mass transit projects and Australian Fed-
eral Government expenditure on rail and urban public transport.

Mr Anderson has provided some information for the Honourable Senator.

ADDITIONAL INFORMATION-MASS TRANSIT PROJECTS

Senator Greig’s question draws an unreasonable comparison between the USA Federal Government expenditure on mass transit projects and the Australian Federal Government expenditure on rail and urban public transport.

As the Senator might be aware, in Australia, rail and urban public transport have traditionally been the responsibility of the States and Territories.

Nevertheless, the Commonwealth has contributed to the upgrade of the rail track and operation of services relating to the interstate rail network, which are dominated by freight activity. The most recent of these programs are the One Nation Programme under which the Commonwealth spent almost half a billion dollars on upgrading the interstate mainline track and the current four year, $250 million interstate track upgrade programme.

In addition, the Commonwealth contributed funding directly to the former Commonwealth owned Australian National Railways Commission for upgrade of the interstate track, and also provided funds to the Commission as part of its restructure. The Minister has advised me, therefore, that since 1995 the Commonwealth has spent considerably more than 2 percent of total land transport funding on interstate rail alone.

As I mentioned on Monday, the Commonwealth is further assisting the rail industry through the new tax system, which removed the diesel fuel excise previously paid by rail.

Funding for urban public transport in Australia continues to be the responsibility of the State and Territory Governments. However, the Commonwealth is also helping to contain the costs associated with running urban public transport systems through the new tax system, which reduced the amount of diesel fuel excise paid for the use of heavy vehicles.

Gambling: Netbets Report

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.05 p.m.)—I move:

The Senate take note of the answer given by the Minister for Communications, Information Technology and the Arts (Senator Alston) to a question without notice asked by Senator Ferris today relating to a directorship in a registered club held by Senator Lundy.

In question time today Senator Alston, as is his wont, went over time in an answer. I took a point of order. Senator Alston responded to that point of order, spoke to it, and indicated that my point of order was an attempt to distract attention from what is, in Senator Alston’s words, ‘a very serious policy matter’. Let us have a look at that. Let us examine what this very serious policy matter was that Senator Alston was allegedly addressing.

It was a supposed conflict of interest when a senator—in this case, Senator Lundy—asked a question about gaming and gambling at a committee hearing while that senator was a director of a registered club—a directorship, I might say, that was disclosed on her pecuniary interest return. That is the alleged very serious policy matter. We know that Senator Alston’s staff had been ringing very many registered clubs in Canberra before this Dorothy Dix question was asked by Senator Ferris. That was a bit of work for Mr Ian Hanke and others. They were phoning clubs in the ACT, frightening and threatening staff of those clubs. So it was not a surprise to us because those staff members had complained to members of the opposition and, I think, to other authorities that this Dorothy Dix question was asked.

Senator Alston was trying to compare this alleged conflict of Senator Lundy’s with the situation that relates to Mr McGauran. I want to take that issue up because it is a very interesting comparison. I do want to compare this situation of Senator Lundy’s question at a committee hearing with Mr McGauran’s direct financial gain and direct conflict of interest, because we know that Minister McGauran’s family trust owns 75 poker machines in an inner city hotel in Melbourne. We know that, according to gaming authority calculations, those machines make well over $1 million per annum for the licensee. We also know that these machines, or the licence for these machines, were not in the minister’s pecuniary interest declaration. We know that the asset was hidden. We know that even Mr Howard now admits that he knew nothing about these 75 poker machines.

We also know, as do the Australian public, that Mr McGauran had carriage of a bill in the House of Representatives that banned...
online gambling. We know that he was the acting minister for communications when the moratorium was brought into force in May last year. We also know that he was the responsible minister when the legislation was put through the parliament in December last year. Yet Senator Alston tries to draw this comparison, in relation to Mr McGauran’s direct conflict of interest, with the situation that relates to labour clubs, which, of course, own poker machines.

What about voting on the online gambling ban? We thought that legislation was unworkable. We voted against the interests of the trades and labour clubs. But, as acting minister, Mr McGauran was banning local online gambling, which advantaged him, advantaged his family, advantaged his pecuniary interests and advantaged his family trust. We know that the off-line gambling industry has estimated a 10 to 20 per cent drop in revenue if online gambling were made legal in Australia. That is the pathetic comparison that Senator Alston tried to draw in question time in the Senate today. I must say this: unlike Mr McGauran, Senator Lundy and any other Labor member or senator who has had a directorship of a trades or labour or other registered club has declared it, whereas no-one at all ever knew about Mr McGauran’s licence and never knew about his 75 poker machines because that was covered up from day one.

Senator FERRIS—As I say, I do find it quite interesting that Senator Lundy did not take the opportunity to respond directly in the taking note debate to the very serious issues that were raised both yesterday and today in relation to Senator Lundy’s apparent conflict of interest during her membership of the committee which I chaired, the Senate Select Committee on Information Technologies. I recall very clearly the day when we had our hearings in Melbourne. I recall the day very clearly because I tabled at the beginning of the hearing a letter from Senator Julian McGauran in which he declared his conflict of interest, and Senator Lundy took part in that hearing that day and at no time disclosed that in fact she was a director of a club in which there were poker machines. I do not say that Senator Lundy has—

Senator Robert Ray interjecting—

Senator FERRIS—Madam Deputy President, is it possible for me to make my contribution here today without the bullying voice of Senator Ray constantly trying to talk over me? As it is International Women’s Day today, I ask him to show just a little bit of courtesy to the women of this chamber, for once in his life.

Senator Robert Ray interjecting—

The DEPUTY PRESIDENT—Order!

Senator FERRIS—Also, Madam Deputy President, he is flouting standing orders by continuing to be disorderly.

The DEPUTY PRESIDENT—Senator Ferris, if you resume your seat for a moment I will call the whole place to order and ask Senator Ray to cease his interjecting. I am sure that Senator Ray will seek the opportunity to speak and outline the points he is trying to make.

Senator Robert Ray—You’re a sweet-talker.

The DEPUTY PRESIDENT—Thank you. As long as I can have some order.

Senator FERRIS—I do not think I would feel like laughing if Senator Ray called me a sweet-talker on International Women’s Day because that is a very patronising remark for somebody to make in this chamber to the person who is sitting in the President’s chair.
But, moving on, on this occasion I will be staying in the chamber to hear Senator Lundy’s contribution because, as the chair of the committee that inquired into online gambling, I would like to hear what she has to say. The committee called a number of very important witnesses on that day, including Mr Stephen Toneguzzo, Managing Director and Principal Consultant of Global Gaming Services Ltd; Mr Warren Wilson, Managing Director of TAB Ltd; and Professor Jan McMillen, Executive Director of the Australian Institute for Gambling Research. They were all very important witnesses who are very involved in the poker machine industry from a consultant’s point of view and, in the case of Professor McMillen, from the very important point of view of dealing with problem gambling research, which is an issue of great concern to many of us in this chamber.

I find it quite extraordinary that a senior member of the Senate—and Senator Lundy has been here for some years now—was able to sit through the declaration by Senator Julian McGauran on that day and not have something happen in her mind to trigger the fact that she also should have disclosed a conflict of interest. Just one sentence would have covered her for that day’s hearing. Four days later, she was so conscious of the fact that there could be some difficulty that she gave notice of her resignation as a director of the tradesmen’s club, where we now know there are many poker machines. I do not think it matters, for the purposes of the argument, who owned those poker machines or where the money went. The reality of the situation is that Senator Lundy was a director of the club and Senator Lundy knew it to the extent that four days later she resigned from that directorship and she did not declare it at any time during our inquiry.

As we heard with some mirth in here yesterday—and certainly it was greeted with some mirth on the committee when it was announced—Senator Harradine at the start of the committee’s inquiry felt bound to say that he had a telephone betting account with the TAB. To the extent that he thought that may have been a conflict of interest for him on the committee, he declared it. Senator Julian McGauran, to the extent that he believed he would have a conflict of interest, declared it. Senator Lundy, who clearly had a conflict of interest, particularly on that day four days before she resigned as a director, also had a conflict of interest but she did not declare it. At no time during the hearings of that committee, which went for some months, did she declare it. I have to say—and I congratulate her for this—she took a very active role as a member of the committee on that inquiry.

(Time expired)

Senator ROBERT RAY (Victoria) (3.17 p.m.)—Senator Ferris did get one thing right in her contribution: she should have been heard in silence, because it was only through that that we could understand the total vacuousness of her contribution. She said that Senator Lundy should get to her feet and defend herself. Senator Lundy is here and will do so. Where is Senator McGauran? Hiding under a desk somewhere.

Today Senator Alston, in defending the rapacious behaviour of the McGauran family, simply tried to divert attention. We are happy with the comparisons. We are happy to compare the two cases. Let us take the first point: Senator Lundy declared her directorship in Woden tradies club on her pecuniary interest form. You go back and search those forms to find either Minister McGauran or Senator Julian McGauran mentioning poker machines on their pecuniary interest declaration. It is simply not there. In the case of Senator Lundy, it is absolutely there for everyone to see.

The second major point is that Senator Lundy has no personal financial interest in poker machines—none whatsoever. But what do Senator McGauran and Minister McGauran have? They are getting about two hundred grand a year off them. That is a direct benefit of $200,000 into the family trust protected by advantageous tax arrangements—that is what they have got. Senator Lundy does not get a director’s fee. She does not get anything to do with that.

Thirdly, let us go to motive. If Senator Lundy is guilty, why did she vote directly against the self-interests of Woden tradies club? She battled it out in the chamber here for division after division, and the very point
she was putting hurt the financial interests of the Woden tradies club. But you look at the other two: Minister McGauran and Senator McGauran. They consistently voted to line their own pockets—maybe not deliberately, but that was the effect of that. So on the three counts, there is no comparison. McGaurans: guilty, guilty, guilty. Lundy: not guilty, not guilty, not guilty. It is an open and shut case.

What did we find out today? We were wrong, and we admit it. We thought there were 70 poker machines down at Millers Inn in Altona, but we now find out that earlier last year they applied for five more. Guess what happened? The local council said no. The local council opposed it and knocked it off because they judged it was injurious to the local population. They made the decision that this would increase the misery levels in that community. What did the McGaurans do? They took it to administrative appeal. What did the McGaurans do? They hired the expensive lawyers and they got their extra five machines to bring in to that institution yet another $300,000 or more per year. You do not see the refugees from the Ponderosa in East Gippsland putting poker machines in their own community. Of course not. The nouveaux riches like going out into the working class suburbs of Melbourne and fleecing the battlers that they say they represent. They love doing that. They love living off the misery of gambling revenue and enriching themselves. That is what they like to do. They talk a good talk in here about the battlers, and they come in here and criticise the banks. They do all that and meanwhile, full of hypocrisy, full of double standards, they are out ripping off the poor punters of Altona. That is their speciality. That is what they do. There is nothing more—

Government senators interjecting—

Senator Ferris—Comfortable in the gutter.

Senator ROBERT RAY—Senator Ferris, do you endorse their double standards, through you, Madam Deputy President? Do you endorse them?

The DEPUTY PRESIDENT—Order! When Senator Ferris was speaking, she requested that I keep the noise down on my left. I did that and she was heard in relative silence. I would ask that Senator Ferris and Senator Mason, in particular, and also Senator Ferguson, who is putting his contribution in, allow Senator Ray to finish his 40 seconds and keep order in this place. Thank you.

Senator ROBERT RAY—As I was saying, they talk the good talk on that side. Their Prime Minister—and I agree with him on this—highlights the question of problem gambling in this community. Maybe it is his background but, being a punter myself, I agree with him. What I cannot stand is this mob opposite taking that stance but taking the money as well—taking $1 million a year into one family with two representatives in this parliament. That is the height of hypocrisy, that is the height of insincerity and it really reminds you of the old mine owners taking the Christmas hamper around. (Time expired)

Senator FERGUSON (South Australia) (3.22 p.m.)—As I understand it, Senator Faulkner took note of an answer given by Senator Alston to a question asked by Senator Ferris relating to Senator Lundy. But we have not heard anything about Senator Lundy from Senator Faulkner or Senator Ray. All we have heard about is the McGaurans. Here we have Senator Lundy, the person at the centre of that question. Here she sits quietly, just like someone at a prizefight; the bullyboys have been sent in first to soften up the crowd, and then along will come Senator Lundy—and I presume she is going to speak.

Senator Robert Ray—Where’s McGauran?

Senator FERGUSON—Senator Lundy has had two chances to speak, and she has not said a word; she has just sat there in silence. She had yesterday to say something, she has had today to say something—and she has made no contribution whatsoever to the question that was and is before the chair.

Not one member of the Labor Party opposite has ever contributed anything to investing in this nation; never have they made a contribution to investing in this nation. Senator Faulkner always stands up at any
stage and opposes any Australian who wants to put money into Australia’s future by risking their own business ventures, whether it be the people he has mentioned today or whether it be anybody else. Senator Faulkner has always been very content to pick up his salary at the end of the fortnight, whether he has produced anything or not; whether or not he has done anything for Australia’s future, Senator Faulkner is there to pick it up—not like the people who are prepared to invest in Australia’s future through big or small business.

I heard Senator Mason speak earlier. This is the old class warfare of the 1890s. The 1890s are coming out in full force, being brought up by Senator Faulkner and Senator Ray. All the while they are trying dismally to defend Senator Lundy’s position, she sits there quietly without saying a word. Let the bovver boys, the bullyboys, do all the talking. Let Senator Faulkner and Senator Ray, the bullyboys, soften up the Senate and maybe, just maybe, when it is all finished, Senator Lundy may rise to her feet. After the preliminary bouts, we may find Senator Lundy getting to the stage where she might get up and say a word or two. She may, but we have no indication; I have no idea. All I have heard so far is Senator Faulkner and Senator Ray trying to defend an answer. But the question Senator Faulkner took notice of was not a question on Senator McGauran; it was a question about Senator Lundy.

Senator Robert Ray—Of course it was.

Senator Faulkner—It boomeranged. One of you defend him, come on.

The DEPUTY PRESIDENT—Order! Senator Ray and Senator Faulkner, would you please come to order.

Senator Robert Ray—I’ll suspend myself; I think I’d better.

Senator FERGUSON—Thank you, Senator Ray. Probably the best move you have made in the last 10 minutes, Senator Ray, is to suspend yourself.

The DEPUTY PRESIDENT—Senator Ferguson, if you would like to address the chair, that will reduce the tension too.

Senator FERGUSON—I apologise, Madam Deputy President, for not addressing my remarks through the chair. But what I really will be interested in hearing is Senator Lundy when, we hope, she avails herself of the opportunity to address some of her remarks through the chair. She has been so quiet since this issue was raised that we can only assume that she is guilty as charged of all the accusations that were made by Senator Alston in his response to a question from Senator Ferris. I cannot believe that Senator Faulkner and Senator Ray, in the responses that they have made in taking note of answers, can be so opposed to Australians who wish to invest in business in Australia and provide the jobs of the workers that they think they so adequately represent. What does the Labor Party ever do? Absolutely nothing.

Senator Faulkner—Cream off the top of the pokies and hide it. That’s real great investment!

Senator FERGUSON—Senator Lundy does have a vested interest in what happens to those trades and labour clubs because the fact that she is a director, no doubt, has contributed in many ways to the fact that she is here in the Senate. That is her vested interest; she has used, and does use, those clubs to promote herself; and her directorship of those clubs is used in every way to make sure that her vested interest and her reward is being here in the Senate. That is the accusation that is levelled at her. In fact, I am very interested in, and waiting to hear, what Senator Lundy has to say. She may just get up now and say something—we are not sure. But I do not know why she has had to wait for the bullyboys, Senator Faulkner and Senator Ray, to get up on their feet first and soften up the Senate for her very mild little response. Senator Lundy has had three days now that I know of in which to respond—and she has so far remained silent. (Time expired)

Senator LUNDY (Australian Capital Territory) (3.28 p.m.)—I find it fascinating that both previous speakers on behalf of the government have spent half their speeches awaiting my contribution to this particular debate. I think that and the spurious comments they are prepared to throw across the chamber without any substantiation at all
demonstrate the lack of depth and substance of their allegations. Senator Alston and other senators have obviously misrepresented my situation in their alleging a conflict of interest over my association with the Woden tradies club. Unlike Minister McGauran and his association with Millers Inn in Altona, at no stage have I ever received any personal benefit whatsoever from my association with the Woden tradies club. Unlike Minister McGauran and his family, I do not have, and never have had, licences for 70 poker machines. Unlike Minister McGauran, I have not applied for any more licences for poker machines. And unlike Senator McGauran, I do not gain any personal benefit from poker machines.

There is no doubt that the coalition have embarked upon an attempt here to deflect attention from a very uncomfortable situation they find themselves in, and that relates to their position with respect to interactive gambling and the fact that the government intends to pursue that issue here in the chamber. Senator Alston has had the opportunity to kick two own goals in the last two days. The first relates to an issue my Senate colleagues have raised on more than one occasion: that the position the coalition has taken on the Interactive Gambling (Moratorium) Bill 2000 in opposing new forms of gambling on the Internet directly benefits those who have derived personal profit from owning poker machines—again, Minister McGauran. Let us get very clear who has the conflict of interest.

My own work previously as a director on the Woden tradies club board was a social service. No fees are paid to directors. All members of the community, if they are privileged enough, have the opportunity to serve on such boards and it was my privilege to serve on it at that time. That did not present a conflict of interest on this or any other issue and, as pointed out by my colleagues, was always declared in the appropriate way on the statement senators supply to this place about our respective interests—again, unlike Minister McGauran.

The other own goal Senator Alston has kicked very effectively in the last couple of days relates to the issue at the heart of their discomfort, their position on interactive gambling. Senator Alston’s own goal relates to the fact that he is the minister for information technology and sounds off regularly about the importance of the new economy and the Internet to Australia’s potential growth. We are in a situation now where Australia’s economic position is declining. In the same breath that Senator Alston is promoting the interests of the new economy, of the Internet and of information technology, he is promoting legislation to ban interactive gambling, legislation that we know is not going to serve those interests—nor in fact be technically feasible.

Minister Alston finds this very uncomfortable. Tonight he has to face the Internet Industry Association in Sydney and try and explain this conflict of interest in coalition policy. So it is not surprising to me, although it is very disappointing, that the coalition is going to such great lengths to misrepresent my position in respect of the Woden tradies club and draw out an issue in direct comparison with Minister McGauran. There is no comparison. I have no conflict of interest. Minister McGauran clearly has a very specific conflict of interest. Senator Alston has his own conflict of interest in his policy area that no doubt he is very embarrassed about. The government is under pressure about it and they are obviously intent on pursuing that interactive gambling ban. As I said at the start, it is very interesting that Senator Ferris, Senator Ferguson and I presume whoever is going to speak next would spend a lot of time talking about my opportunity to provide an explanation. I have very much looked forward to this moment when I could help draw out the hypocrisy of the government and put it on the table. *(Time expired)*

Question resolved in the affirmative.

**PERSONAL EXPLANATIONS**

**Senator MACKAY (Tasmania)** (3.34 p.m.)—I seek to make a personal explanation as I claim to have been misrepresented.

**The DEPUTY PRESIDENT**—There being no objection, the senator may proceed.

**Senator MACKAY**—Today in question time Senator Macdonald referred to my web site. I have a copy of the documentation that
he tabled. I want to make it clear that Senator Macdonald, if he in fact did access my web site himself, has mistaken what is called in the trade ‘links’—something which I suspect is missing in Senator Macdonald’s case. If you go to my web site you can link through to the Department of Transport and Regional Services and you can link through to the minister’s media releases. I think that Senator Macdonald should come in here and advise—if he in fact did it himself, which I seriously doubt—that he has misled the Senate and provide a personal apology to me.

COMMITTEES

Reports: Government Responses

Senator ELLISON (Western Australia—Minister for Justice and Customs) (3.35 p.m.)—I present three government responses to committee reports as listed on today’s order of business at item 13. In accordance with usual practice, I seek leave to incorporate the documents in Hansard.

Leave granted.

The documents read as follows—

GOVERNMENT RESPONSE TO THE KATUKALPA REPORT ON THE INQUIRY INTO THE EFFECTIVENESS OF EDUCATION AND TRAINING PROGRAMS FOR INDIGENOUS AUSTRALIANS.

Achieving educational equality for Indigenous Australians remains one of the principal educational challenges facing the nation. The Government’s position is that all Australians have the right to an education which allows them to choose from the same range of opportunities.

The Minister for Education, Training and Youth Affairs has made this approach central to his efforts to making the achievement of educational equality for Indigenous Australians an urgent national priority. This has been acknowledged and endorsed by all Education Ministers. It was reaffirmed at the Ministerial Council for Employment, Education, Training and Youth Affairs (MCEETYA) meeting on 31 March 2000.

Despite some progress over recent years, the scale of educational disadvantage for Indigenous Australians remains vast. Indigenous students record markedly lower levels of literacy and numeracy achievements at primary school, have far higher rates of absenteeism and truancy, are much less likely to continue their education beyond the compulsory years, and are less likely again to achieve a post-school qualification with currency in the labour market.

The Government has adopted a comprehensive strategy that will make significant progress in closing the gaps in educational outcomes between Indigenous and non-Indigenous Australians by 2004. The focus is clearly on measurably raising the educational outcomes achieved by Indigenous students. It pays particular attention to the key areas of literacy, numeracy and educational attendance, thereby accelerating the pace of change, especially in the school sector. The strategy builds on a high level of State and Territory Ministerial goodwill and commitment, as well as the strong support for reconciliation at both a community level and with Australian educators.

The Government’s approach, with its five major elements:

• symbolises the Government’s resolve to accelerate the pace of change and make significant progress in closing the gap between the learning outcomes of Indigenous and non-Indigenous school students by 2004 through the National Indigenous English Literacy and Numeracy Strategy (NIELNS) launched by the Prime Minister on 29 March this year;

• leverages the Commonwealth’s mainstream school funding to the States and Territories for the 2001-2004 quadrennium to ensure that Indigenous students are a mainstream education priority with specific reporting on Indigenous educational outcomes;

• requires education providers funded through the Commonwealth’s supplementary Indigenous programmes for the 2001-2004 quadrennium to focus on accelerating the closure of gaps in the educational outcomes in literacy, numeracy and attendance between Indigenous and non-Indigenous students;

• confronts and resolves national policy and related issues, including the development of an enhanced mechanism for national reporting, the development and implementation of high quality standards in education infrastructure and service delivery to Indigenous students, through MCEETYA; and

• links the achievement of educational equality to the national reconciliation process.

Recommendation 1

The committee recommends that MCEETYA ensure that raising of literacy and numeracy skills of Indigenous students to the level obtained by non-Indigenous students remains an urgent national priority.

Supported.

The Government is working with States and Territories to ensure that all children achieve an acceptable standard of literacy and numeracy skills. Commonwealth, State and Territory Education Ministers reaffirmed their agreed commitment to the national literacy and numeracy goal in the
National Goals for Schooling in the Twenty-First Century in April 1999 (the ‘Adelaide Declaration’). The national goals include the aim that students should have attained the skills of numeracy and English literacy such that every student should be numerate, able to read, write, spell and communicate at an appropriate level.

The Commonwealth is firmly committed to achieve English literacy, numeracy, and attendance outcomes for Indigenous students at levels comparable to those achieved by other Australians. The Commonwealth’s National Indigenous English Literacy and Numeracy Strategy (NIELNS) was launched by the Prime Minister on 29 March 2000. This strategy is aimed at achieving real improvements in literacy and numeracy skills, the vital skills that Indigenous students need to succeed in Australian society. It aims to address six key elements:

- lifting school attendance rates;
- addressing hearing and other barriers to learning;
- providing preschool opportunities;
- training and retaining good teachers in areas with significant Indigenous student populations;
- ensuring teachers use the most effective, culturally appropriate teaching methods; and
- increasing the accountabilities and performance measurement for schools and teachers.

The Commonwealth is making available over $27 million during 2000-2004 to support the NIELNS.

The Indigenous Education Strategic Initiatives Programme (IESIP) provides supplementary funding to education and training providers in the preschool, school, and VET sectors to improve Indigenous students’ educational outcomes. Education providers in receipt of IESIP funding are required to report their progress towards achieving equitable and appropriate outcomes for Indigenous students, in each of eight priority areas, including literacy and numeracy. Some $616 million was provided in the 2000-2001 Budget for IESIP over the 2001-2004 quadrennium.

More generally, the Commonwealth supports the achievement of the national literacy and numeracy goal through the provision of supplementary funding under the Literacy and Numeracy Programme. The objective of the Literacy and Numeracy Programme is to measurably improve the literacy and numeracy outcomes for educationally disadvantaged students and to support the National Literacy and Numeracy Plan. It is expected that there will be a particular focus on assisting Indigenous students who have not developed adequate literacy and numeracy skills and who are therefore having difficulty coping with the school curriculum. The Commonwealth is providing a total of approximately $1,104 million for literacy and numeracy programmes for school students in the five years to 2003-2004. This includes an additional $131 million provided for literacy and numeracy in the 1999/2000 Budget.

Recommendation 2

The committee recommends to MCEETYA that agreement be reached on the uniform tabulation of expenditure on Indigenous education in all states and territories.

Supported-in-principle.

This recommendation will be referred to MCEETYA.

Recommendation 3

The committee recommends that the Indigenous Education Direct Assistance (IEDA) programs should be retained as centrally funded programs administered by DETYA.

Supported-in-principle.

A review of the Indigenous Education Direct Assistance (IEDA) programme comprising the Aboriginal Tutorial Assistance Scheme (ATAS), the Aboriginal Student Support and Parent Awareness programme (ASSPA), and the Vocational and Educational Guidance for Aboriginals Scheme (VEGAS), has been completed and agreed by the Minister.

Recommendation 4

The committee recommends that DETYA investigate ways of providing greater flexibility in the use of discretionary funds, including funding for regional projects and direct funding for schools.

Not Supported.

Commonwealth funding for schooling is provided as block grants to government and non-government education systems. The Commonwealth does not normally earmark funding to systems for particular regions below the State or Territory level. Under the NIELNS, the Commonwealth is working collaboratively with systems on the development of Strategy Implementation Plans. The Implementation Plans will identify a range of specific initiatives in a number of particular areas including targeted urban, rural and remote regions. While Commonwealth funding to support the Implementation Plans will still be paid at the system level, the initiatives and locations will be specified in the Indigenous Education Agreements that providers are required to enter into in order to receive IESIP funding.
Recommendation 5  
The committee recommends that a comprehensive review of the NATSIEP be undertaken in 2002, at the end of the fourth triennium of operation.
Not supported.

The Indigenous Education Strategic Initiatives Programme (IESIP), established to help achieve the National Aboriginal and Torres Strait Islander Education Policy (NATSIEP), will move from a triennial to a quadrennial basis from January 2001 to align with the 2001-2004 quadrrennium used for most Commonwealth school education programmes. It is the Government’s view, therefore, that a comprehensive review of the NATSIEP should not occur before 2004, at the end of the new IESIP quadrrennium.

Recommendation 6  
The committee recommends that all Commonwealth, state and territory policies and strategies be developed and delivered in a context that recognises, and takes full account of, the cultural history, identity, diversity and continuing educational disadvantage of Aboriginal and Torres Strait Islander peoples.

Supported-in-principle.

The National Goals for Schooling in the Twenty-First Century, endorsed by all Commonwealth, State and Territory Education Ministers, includes the goal that: all students understand and acknowledge the value of Aboriginal and Torres Strait Islander cultures to Australian society and possess the knowledge, skills and understanding to contribute to, and benefit from, reconciliation between Indigenous and non–Indigenous Australians.

At their meeting in March 2000, all Australian Ministers of Education considered the report of the Taskforce on Indigenous Education and agreed to undertake a third phase of work to accelerate progress to achieve educational equality for Australia’s Indigenous peoples. This work will include the promotion and implementation of:

- a statement of principles and standards for educational infrastructure and service delivery;
- a model for more culturally inclusive and educationally effective schools; and
- a framework for developing more efficient and effective cross-portfolio mechanisms.

The statement is closely tied to the National Goals for Schooling in the Twenty-First Century and uses the national goals to underpin the set of principles and standards. The principles are described in terms of rights to a high quality education. The standards are described in terms of rights of Indigenous students and their teachers to access the same level of government services as other Australians.

The model is designed for schools and systems to create a climate of sustainable change and encourage successful outcomes of Indigenous programmes to be absorbed into mainstream practice. The cross-portfolio framework gives a new perspective to approaching the planning and delivery of services and programmes.

Over 20,000 copies each of the statement and the model have been printed and are being distributed and promoted in all schools across Australia. In addition, MCEETYA formally released a discussion paper developed in late 1999 by its Taskforce on Indigenous Education to assist with consultations within jurisdictions and Indigenous communities. The discussion paper proved useful in raising the profile of Indigenous education and includes advice on continuing educational disadvantage of Indigenous Australians, on the different perspectives that Indigenous Australians bring to the nature and purpose of education and the preliminary findings of a set of Commonwealth funded Strategic Results Projects that demonstrated accelerated Indigenous student learning outcomes.

Over 11,000 copies of the discussion paper have been printed and distributed to schools. In a separate exercise, over 10,000 copies of the final report of the Strategic Results Projects entitled ‘What Works? - Explorations in improving outcomes for Indigenous students’ have been distributed in cooperation with the States and Territories to education and training institutions across Australia.

The Commonwealth has been actively involved in the development of a number of strategies which recognise, and seek to address, the educational disadvantage of Indigenous people in vocational education and training (VET). These strategies are described below.

National Strategy for VET

- A Bridge to the Future: Australia’s National Strategy for Vocational Education and Training 1998-2003, which was endorsed by that Australian National Training Authority (ANTA) Ministerial Council, includes objectives to achieve equitable outcomes in VET. The National Strategy states that Commonwealth, State and Territory governments will: identify and remove structural barriers to access and equity in vocational education and training;
- encourage improved performance by Registered Training Organisations (RTOs) in delivering training programmes to disadvantaged clients;
encourage development and delivery of training programmes based on Training Packages which can be customised to suit the needs of all clients, and which are sensitive to cultural differences;

- equip vocational education and training staff to address equity issues, including the development and delivery of inclusive training programmes based on training packages;

- create incentives for RTOs to address equity issues, based on a better understanding of the costs associated with delivery to clients with special needs;

- make available accurate data for monitoring equity performance;

- make efficient use of new technology to broaden opportunities for those living in rural and remote communities or unable to access institutional or work based training; and

- develop and monitor performance improvement annually.

A Bridge to the Future also identifies a specific priority for Indigenous people:

- increasing participation by Aboriginal and Torres Strait Islander peoples in vocational education and training, particularly higher level award programmes, improved retention and completion rates and improved employment outcomes.

A supporting paper to the National Strategy for VET, Achieving Equitable Outcomes, was produced by ANTA to elaborate on the work being undertaken to address equity issues in VET. The paper recognises the recent increase in participation rates of Indigenous people in VET but acknowledges that further effort is needed to ensure that access leads to successful outcomes.

**National VET Indigenous Strategy**

The Commonwealth has also been actively involved in the development by the Australian National Training Authority of a draft national Aboriginal and Torres Strait Islander Strategy for VET. The Strategy, Partners in a Learning Culture, Australia’s National Aboriginal and Torres Strait Islander Strategy for Vocational Education and Training 1999–2003 was developed by the Aboriginal and Torres Strait Islander Peoples’ Training Advisory Council to ANTA in partnership and consultation with key stakeholders. Partners in a Learning Culture has been developed to:

- identify the key vocational education and training issues and activities which are most important for Indigenous community development;

- include the perspectives of Indigenous people in current and future vocational education and training policy and programmes at all levels;

- ensure the vocational education and training decisions result in better outcomes for Indigenous individuals and communities;

- show how vocational education and training programmes can be better managed for Indigenous communities;

- lay down quality and continuous improvement measures which build upon positive gains already made within the sector; and

- set out measurable objectives to improve outcomes for Indigenous Australians in vocational education and training and employment.

The objectives of the Strategy are to:

- increase the involvement of Indigenous people in decision making about policy, planning, resources and delivery;

- achieve VET outcomes for Indigenous people equal to those of the rest of the Australian community;

- achieve increased flexible delivery, including use of information technology for Indigenous people; and

- develop closer links between VET outcomes for Indigenous people and industry and employment.

An implementation plan for the Strategy, in the form of a Blueprint, was approved at the ANTA Ministerial Council on 30 June 2000.

**Recommendation 7**

The committee recommends the appointment of an independent national consultative body to advise MCEETYA on Indigenous education needs and policy; this body to include representatives of ATSIC and the Indigenous education consultative bodies that already advise state and territory education ministers.

Not supported.

MCEETYA establishes specialist taskforces from time to time to provide advice on particular education issues. At its 1999 April meeting, MCEETYA established a Taskforce on Indigenous Education to advise Council on a number of issues relevant to achieving equitable education outcomes for Indigenous students. In addition to representatives from each State and Territory government education system, the Taskforce included a representative from ATSIC, the State/Territory Indigenous education consultative bodies, the National Catholic Education Commission (NCEC) and the National Council of Independent Schools Association (NCISA). The Taskforce is able to invite individuals with special expertise to assist in developing advice.

The Commonwealth’s assessment is that the Taskforce on Indigenous Education has been effective to date, helping inform the development of the National Indigenous English Literacy and Numeracy Strategy, making recommendations for a revised set of IESIP performance indicators to improve national reporting of outcomes, and developing a statement of principles and standards for educational infrastructure and service deliv-
ery. Although the Commonwealth is but one member of MCEETYA, the Commonwealth is not convinced there is a need to establish another consultative body to advise MCEETYA on Indigenous education.

**Recommendation 8**
The committee commends DETYA for the development of a national Indigenous school attendance strategy and recommends that all necessary resources be supplied as a matter of urgency to enable its prompt implementation.

Supported.

The National Indigenous English Literacy and Numeracy Strategy (NIELNS) is built on the requirement for education providers to more effectively target all relevant State, Territory and Commonwealth resources to ensure that Indigenous students achieve equitable and appropriate education outcomes.

Over the period 2001-2004, States and Territories will have available some $57 billion through recurrent funding and financial assistance grants to achieve their educational objectives. The Commonwealth will be providing some $22 billion in recurrent and capital grants.

In addition to the mainstream funding arrangements and programmes, during 2001-2004 the Commonwealth will be providing supplementary resources of some $1.2 billion to improve educational outcomes for Indigenous students. These funds come primarily through the IESIP and the IEDA Programme.

To specifically support the implementation of the Strategy, the Commonwealth is making available over $27 million to support a range of specific initiatives in a number of particular areas, including targeted urban, rural and remote regions in States and Territories.

**Recommendation 9**
The committee recommends that MCEETYA facilitate discussions with Commonwealth and states agencies to coordinate initiatives to improve the participation rates and educational outcomes of Indigenous communities.

Supported.

In 1999, MCEETYA asked its Taskforce on Indigenous Education, as part of its terms of reference, to provide advice on ways to strengthen cross-portfolio links between education/training and community development and identify the implications for employment, health and housing, paying particular attention to specific Indigenous communities, especially those in most need.

The Taskforce noted that this issue picks up on similar matters raised in the 1995 National Review of the effectiveness of the National Aboriginal and Torres Strait Islander Education Policy in its first triennium. The 1995 MCEETYA Taskforce for the Education of Aboriginal and Torres Strait Islander Peoples attempted to grapple with the complexities of addressing these cross-portfolio issues and finally recommended that individual State and Territory education and training systems should address these matters separately.

The current Taskforce re-examined the 1992 COAG Commitment to Improved Outcomes in the Delivery of Programs and Services for Aboriginal Peoples and Torres Strait Islander Peoples and developed a cross-portfolio framework which gives a new perspective to approaching the planning and delivery of services and programmes. The cross-portfolio framework is described in Chapter 5 of the Taskforce report (see attached).

In a separate exercise, Dr Kemp, Commonwealth Minister for Education, Training and Youth Affairs addressed the Ministerial Council on Aboriginal and Torres Strait Islander Affairs (MCATSIA) in September 1999 on the importance of cross-portfolio issues and their impact on the educational outcomes of Indigenous students.

At its meeting in March 2000, MCEETYA agreed to encourage the use of the framework and to circulate the Taskforce report to the Health and Community Services Ministerial Council and the Ministerial Council on Aboriginal and Torres Strait Islander Affairs with the view to encouraging discussions on cross-portfolio issues.

MCATSIA met on 28 July 2000 and agreed, in relation to the 1992 COAG commitment, to consider at its next meeting in mid-2001 a cross-portfolio status report on Indigenous outcomes. This will be the first time that such a report has been generated.

**Recommendation 10**
The committee recommends that coordinated strategies aimed at improving access to secondary education in remote communities be investigated by an independent national consultative body on Indigenous education established by MCEETYA.

Not supported.

See response to Recommendation 7 above concerning the consultative body. At its meeting in March 2000, MCEETYA approved a Statement of Principles and Standards for educational infrastructure and service delivery. The statement of standards addresses the issue of access to high quality education which is necessary to enable completion of school education to Year 12 or its vocational equivalent and which provides clear and recognised pathways to employment and
further education and training. MCEETYA also approved the development of mechanisms and milestones at jurisdictional level to implement the principles and achieve the standards described in the Statement of Principles and Standards.

**Recommendation 11**

The committee recommends MCEETYA give renewed emphasis to the provision of pre-schools for remote communities.

Supported-in-principle.

This recommendation is a matter for States and Territories and will be referred to MCEETYA.

At its meeting in March 2000, MCEETYA approved Recommendation 24 of the report of the Taskforce on Indigenous Education, seeking an extension of the Taskforce’s terms of reference to enable it to provide advice on early childhood education and report back to Council in 2001.

The Commonwealth is becoming increasingly involved in early childhood education issues. Outcomes from the work that the Commonwealth is currently involved in, will help to shape future policy directions in this area:

- Australia is currently participating in the Organisation of Economic Cooperation and Development (OECD) Thematic Review of Early Childhood Education and Care. Twelve countries are participating. The review requires the preparation of an Australian background report (researchers from Macquarie University have prepared a draft report) and the hosting of a review team from the OECD. The review team visited Australia in June 2000 and met with key stakeholders from around Australia. A final comparative report will be released in 2001.

- The work being undertaken for the OECD review will complement the work being undertaken through the Conference of Education Systems Chief Executive Officers (CESCEO) Early Childhood Education Working party. The working party has developed a discussion paper, containing goals and principles for effective early childhood education, which was presented to CESCEO on 25 February 2000. CESCEO endorsed the paper for wider consultation amongst key stakeholders. Ultimately the paper will be presented to MCEETYA by CESCEO for national agreement. This is not expected to occur until late 2000 or early 2001.

**Recommendation 12**

The committee recommends that MCEETYA develop a coordinated consultative approach to ensure that culturally appropriate best practice informs Australian and Torres Strait Islander education and training needs.

Supported-in-principle.

At its March 2000 meeting, MCEETYA approved a Model For More Culturally Inclusive and Educationally Effective Schools for use as a framework for action in all jurisdictions.

MCEETYA also approved the printing, distribution and promotion of the model in the year 2000 to Indigenous communities and to all teachers and education workers, especially those involved in the education of Indigenous students, through staff training and development processes.

The model is designed for use by schools and systems as a means of creating sustainable change and improvement that integrates the successful outcomes of Indigenous programmes into mainstream schooling practice. There are three focus areas: community, school and classroom, and each focus area has a number of elements to be addressed.

Over 20,000 copies of the model have been printed and are being distributed and promoted in all schools across Australia.

**Recommendation 13**

The committee notes the interest of ATSIC in exploring the potential for expansion of computer–aided learning for Indigenous people in remote communities and recommends that the Minister initiate a pilot project to trial the use of satellite or microwave based internet technology. Supported.

The Government shares the concern of the Committee that Indigenous students have adequate access to technology, and supports the need for all governments to make concerted efforts to ensure that communities have access to appropriate infrastructure and facilities.

Access to quality digital education materials that support Australian school curricula and that optimise opportunities provided by new technologies for learning has been shown to encourage attendance for Indigenous students and help them take a greater interest in class activities. Access to quality digital curriculum can assist schools to increase the coverage of the courses they offer and vastly increases the amount and variety of information available to them. Work on a national initiative to scope the development of online curriculum content for schools has commenced. The Commonwealth, through DETYA, is jointly funding with the States and Territories some preliminary work on the specifications and the underpinning interoperability framework to support this.

DETYA has funded schools under the Offshore Australian Studies (OAS) programme to develop websites linking Australian schools with each other as well as schools overseas. DETYA funded the Aboriginal and Torres Strait Islander
The aims of the project were to:

- provide information technology equipment and specialist assistance available outside of school hours, to ensure that groups that would otherwise be disadvantaged in the understanding of IT issues are provided with opportunities to familiarise themselves with information technology equipment and therefore the opportunities and efficiencies available;
- encourage the use of the internet, including EdNA Online (www.edna.edu.au), in the wider education and training community to support lifelong learning; and
- strengthen the role of schools as learning centres within their communities, to a broader client group than enrolled students.

A total of 50 projects, involving approximately 70 schools were funded, and at least two remote Indigenous communities were involved; one in South Australia and another in the Northern Territory. The main benefits of project activities were:

- facilitating community members’ ability to use computers and the Internet;
- providing opportunities for the community to develop new skills;
- providing opportunities for the community to access and use information that is relevant to their lives;
- enhancing relationships between the school and the local community; and
- developing economies of scope in the use of IT and online services.

Other benefits were noted in individual projects including fostering information literacy of the community, enhancing community cohesion, and promoting new learning opportunities.

The telecommunications revolution potentially offers students in rural and remote areas access to a rich and comprehensive ‘virtual’ learning experience. However, limitations on access to bandwidth have been identified by the education and training sector as the single most important constraint on its ability to capitalise on the benefits of the online revolution. Its concerns are noted in the Education and Training Action Plan for the Information Economy entitled Learning for the Knowledge Society. This Plan was produced following the release of the National Office for the Information Economy’s Strategic Framework for the Information Economy in January 1999.

The Education and Training Action Plan was noted by Cabinet in December 1999 and its broad directions were supported by MCEETYA in March 2000.

The Government recognises the need to explore alternative approaches to the provision of bandwidth, especially for rural and remote Australia where the impact of competition has been limited or non-existent.

The Government has implemented a range of measures to ensure that telecommunications infrastructure, including satellite or microwave based technologies, are widely available in Australia’s competitive, commercial telecommunications market. The Government provides targeted funding support and assistance for services, such as Internet access, through the Networking the Nation (NTN) Program, the Untimed Local Calls Tender and the Digital Data Service Obligation (DDSO) and the Special DDSO initiatives.

A number of NTN funded projects that support the use of satellite or microwave based Internet technology in remote Indigenous communities in the Northern Territory, Queensland, Western Australia and South Australia are under way. The Untimed Local Calls Tender, which is currently in progress, will support the upgrade of remote telecommunications infrastructure to support the provision of untimed local calls within extended zones (i.e. rural and remote areas, covering about 80 per cent of the Australian landmass). The Digital Data Service Obligation (DDSO) and the Special Digital Data Service Obligation (Special DDSO), which provide for access to digital data capacity, have been put in place to supplement the Universal Service Obligation.

**Recommendation 14**

The committee recommends that a set of national participation goals and outcomes be developed by DETYA for the education and training of Aboriginal and Torres Strait Islander peoples and that these cover the spectrum of lifelong learning with specific and designated responsibilities being allocated to the Commonwealth and to states and territories.

Supported.

The Government is committed to achieving equitable and appropriate education outcomes for Indigenous students. To address literacy and numeracy issues, the Commonwealth recently launched the National Indigenous English Literacy and Numeracy Strategy, with the objective to achieve English literacy and numeracy for In-
The Strategy’s objectives will be achieved by:

- lifting school attendance rates of Indigenous students to national levels;
- effectively addressing hearing, health and nutrition problems that undermine learning for a large proportion of Indigenous students;
- providing preschool opportunities wherever possible;
- training sufficient number of teachers to be effective in Indigenous communities and schools and encouraging them to remain for reasonable periods of time;
- using teaching methods that are known to be the most effective; and
- establishing transparent measures of success as a basis for accountability for schools and teachers.

IESIP provides supplementary funding to education and training providers in the preschool, school, and VET sectors to improve Indigenous students’ educational outcomes. Education providers in receipt of IESIP funding are required to report their progress towards achieving agreed targets for Indigenous students, in each of eight priority areas, including literacy and numeracy, participation, retention and success. Some $616 million was provided in the 2000-2001 Budget for IESIP over the 2001-2004 quadrennium.

The Government seeks to achieve participation and outcomes for Indigenous students in higher education at the same level as non-Indigenous students. University performance data currently collected by the Commonwealth (covering access, participation, retention and success of Indigenous students as compared with non-Indigenous students) relate to this goal as does the method of calculating the allocation of Indigenous support funding to higher education institutions.

In 1998, a review of the funding allocation method recognised that the proportion of Indigenous people commencing studies in higher education had reached the same level as the proportion of Indigenous people aged between 15 and 64 years in the community and there was a need to place greater emphasis on success. The new method of allocation does this by increasing funding proportions based on success rates and on completions of Indigenous students and decreasing the funding proportion based purely on EFTSU.

**Recommendation 15**

The committee recommends that support for bilingual education programs be maintained in those areas where they are seen as appropriate and necessary by Indigenous communities. Supported.

The Priority Languages element of the Languages Programme supports the learning of ten priority languages, which include Aboriginal languages.

The Community languages element supports the maintenance of relevant languages and cultures among students of non-English speaking background and promotes the learning of a community language and the understanding of the different cultures within Australia society by all students.

A community language is defined as:

(a) an Aboriginal language; or
(b) the first language of people who have migrated to Australia; but does not include English.

The ‘English as Second Language–Indigenous Language Speaking Students’ (ESL–ILSS) programme was introduced in 1998, to assist Indigenous students who have very limited exposure to English in their communities. In 2000, an estimated 2,500 Indigenous students are being assisted under the ESL–ILSS programme to an estimated value of about $5.9 million.

IESIP funding can be used by education and training providers to engage in activities designed to improve education outcomes for Indigenous students, including the development and teaching of Indigenous languages and Indigenous Studies and other culturally inclusive curricula.

**Recommendation 16**

The committee recommends to MCEETYA the development of appropriate performance indicators for monitoring the employment of Indigenous people in education.

Supported-in-principle.

This recommendation is a matter for States and Territories and will be referred to MCEETYA.

At its March 2000 meeting, MCEETYA approved a set of IESIP core and supplementary performance indicators to provide a nationally agreed basis for negotiating IESIP agreements for 2001–2004. The indicators which relate to Indigenous Employment are:

- employment of Indigenous Australians in Education – core indicator
- numbers and full-time equivalents of Aboriginal and Torres Strait Islander Workers and equivalents employed
- permanency rates of Aboriginal and Torres Strait Islander Workers.

**Recommendation 17**

The committee recommends that the Minister initiate a pilot project in an appropriate university for the purpose of delivering teacher education programs via satellite or microwave Internet
technology to Indigenous trainee teachers in remote communities.

Supported-in-principle.

Universities are autonomous bodies and are responsible for initiating such proposals. A number of universities are undertaking work in the area of remote delivery using modern communications technology.

DETYA is providing funding of $420,000 over three years under its Quality Outcomes Programme to examine the use of information technology in delivering professional development.

**Recommendation 18**

The committee recommends that MCEETYA review incentives to attract and retain experienced teachers in remote areas and in schools with a large proportion of Indigenous students, and to consider the introduction of remote area teaching scholarships.

Supported-in-principle.

This recommendation will be referred to MCEETYA.

As part of its Terms of Reference, the MCEETYA Taskforce on Teacher Education provides advice to Ministers on teacher preparation aimed at improving the quality and standard of teaching and learning, including the preparation of teachers for Indigenous education.

Getting good teachers is a key element of the NIELNS. The objective of the element is to facilitate placing the best teachers, suitably skilled and paid, in the areas of greatest needs and retaining their services there. The Commonwealth will work collaboratively to extend those incentives that are already provided in WA and QLD to other States and Territories and to test a range of other incentives to attract and retain effective teachers to Indigenous communities and schools high proportions of Indigenous students.

The Commonwealth is implementing the Quality Teacher Programme, which provides $77.7m over three years to strengthen the skills of the teaching profession. The Programme supports the commitment in the National Goals to improving educational outcomes for educationally disadvantaged students. Teachers in rural and remote areas and teachers of Indigenous students are included in the Programme target group.

**Recommendation 19**

The committee recommends that MCEETYA implement a strategy that provides an appropriate career and salary structure for AIEWs in all states and territories and that provides for consistency in pay and conditions across the states and territories. It further recommends that AIEWs be given incentives to gain full teaching qualifications.

Supported-in-principle.

This recommendation will be referred to MCEETYA.

The important role of the AIEWs is recognised by the Commonwealth. Recent research by DETYA, ‘Positive Self-Identity for Indigenous Students and its Relationship to School Outcomes’ (2000), has found that AIEW's help Indigenous students develop positive self-identities by providing someone in the school that young Indigenous students can relate to.

Through the NIELNS, the Commonwealth will encourage initiatives that will enhance the The implementation of the relevant and appropriate strategies will be the responsibility of the State/Territory and education systems.

Supplementary IESIP funding can be used by education providers for such activities as the preparation and ongoing professional development of AIEWs to promote positive learning outcomes for Indigenous Australians.

**Recommendation 20**

The committee recommends that MCEETYA review incentives to encourage experienced and accomplished teachers to accept appointments in schools with a high proportion of Indigenous students, and especially in remote areas.

Supported-in-principle.

This recommendation will be referred to MCEETYA. See also Recommendation 18.

**Recommendation 21**

The committee recommends that university schools and faculties of education address more effectively the need to provide trainee teachers with a much stronger grounding in theory and practice relating to the teaching of Indigenous children, including ESL.

Supported-in-principle.

The content of higher education courses is determined by the institutions themselves and they are not subject to direction in this regard by the Commonwealth. The Commonwealth does, however, encourage institutions to address priority matters relating to Indigenous education. The Commonwealth has provided financial support for institutional projects in the spirit of this recommendation. The University of Western Sydney has already developed a model core unit in Indigenous Australian Studies for student teachers, with funding from the Projects of National Significance programme. It has now received addi-
tional funding from the Indigenous Education Strategic Initiatives Programme (IESIP) and the Evaluations and Investigations Programme (EIP) for further work to investigate and report on those measures which have proved most successful in equipping teachers to deal with Indigenous issues. A central objective is to encourage the wider adoption of successful measures by schools and faculties of education.

**Recommendation 22**
The committee recommends that MCEETYA draw up guidelines for improved induction courses for teachers posted to schools with significant Indigenous enrolments, including those teachers who are appointed to positions during the course of the year.

Supported-in-principle.

The recommendation will be referred to MCEETYA.

**Recommendation 23**
Accordingly, the committee recommends that the ANT A Act be amended to ensure that capital works funding for independent education providers goes directly to institutions.

Not Supported.

The recommendation will be referred to MINCO.

Under the ANT A Agreement, ANT A allocates Commonwealth funds to the States and Territories. These funds supplement those provided by State and Territory governments, which are responsible for their own training systems.

Each year the ANT A Ministerial Council determines the amount of funds to be provided for infrastructure from Commonwealth funding provided to ANT A under the Vocational Education and Training Funding Act 1992. States and Territories consider proposals for funding within the context of State priorities and plans and are responsible for managing the outcomes.

**Recommendation 24**
The committee recommends that all governments recognise in their policies, educational structures and funding allocation, the central role that education providers and their programs play in Indigenous development.

Supported.

The Commonwealth supports the recommendation, which is implicit in the preamble to the Adelaide Declaration on National Goals for Schooling in the Twenty-first Century. The preamble begins:

“Australia’s future depends upon each citizen having the necessary knowledge, understanding, skills and values for a productive and rewarding life in an educated, just and open society. High quality schooling is central to achieving this vision.”

**Recommendation 25**
The committee recommends that DETYA monitor and report on the impact of the changes to Abstudy to come into effect in 2000, and particularly their impact on mature age and rural and remote students.

Supported-in-principle.

The Government announced in December 1998 that ABSTUDY would be retained as a separate scheme, along with the special eligibility criteria related to independence, approval of travel entitlements, academic progress rules and the length of time for which ABSTUDY is payable. The changes to ABSTUDY were announced after wide consultation with Indigenous people, communities and education institutions as part of the Government’s review of ABSTUDY in the context of the introduction of the Youth Allowance.

Although the income support rates were aligned with mainstream programmes, ABSTUDY recipients aged 21 years and over were aligned with the more-generous Newstart rate rather than the Youth Allowance or Austudy payment rate. In addition, Rent Assistance was extended and Remote Area Allowance and Pharmaceutical Benefits became available to ABSTUDY living allowance recipients. Continuing students aged 21 years or more who were in receipt of the ABSTUDY living allowance in 1999 who would not receive as high a level of overall benefit in 2000 were maintained at the 1999 rate of living allowance until the completion of their current course. Similarly, Pensioner Education Supplementary Benefits were maintained at 1999 levels until the completion of their current course.

The changes were to align benefits payable to Indigenous students with those payable to non-Indigenous students, unless the disadvantage addressed by the benefit is unique to, or disproportionately concentrated upon, Indigenous students. ABSTUDY Supplementary Benefits, most of which are not payable under the Youth Allowance or Austudy payment, were also retained.

As part of the changes which were implemented from 1 January 2000, the ‘mixed mode’ course delivery away-from-base element of ABSTUDY was transferred to IESIP. Block grants are paid to institutions for the delivery of ‘mixed mode’ courses against performance-based Indigenous Education Agreements (IEAs). The impact of the changes will be monitored by DETYA. In the case of ‘mixed mode’ away-from-base assistance, this will be assisted by the performance-based
IEAs which measure the educational outcomes of Indigenous students.

Courses which are delivered by ‘mixed-mode’ away-from-base or ‘block release’ are courses delivered through a combination of distance education and face-to-face teaching for students who are based in their home communities and need regular on-campus tuition to complement the distance education component of the course. This method of delivery is particularly appropriate for students from rural and remote communities as students are able to meet their cultural and family obligations while they continue to study.

A study commissioned by the Aboriginal and Torres Strait Islander Commission (ATSIC) was undertaken by Deakin University to prepare an analysis of the impact of the changes to ABSTUDY. The ATSIC report contained a number of incorrect assumptions and had in many cases extrapolated too much from insufficient data. The breakdown of affected populations was inaccurate and the calculation of financial gain or loss resulting from the changes for certain student population groups was not correct. While the report acknowledged the availability of mainstream-related entitlements such as Rent Assistance and the continued availability of ABSTUDY Supplementary Benefits, these considerations were not given due weight when determining the impact of changes, and the supplementary ABSTUDY payments were ignored in the comparisons with those payable under the Youth Allowance and Newstart.

FaCS is currently undertaking a study of customer and community attitudes and responses to Youth Allowance changes, activity testing and mutual obligation in eight rural and remote communities, three of which will be Indigenous communities. One of the key questions being examined is: “What is the interaction of Youth Allowance and Newstart with other related policy interventions (eg, ABSTUDY, CDEP) at a community level and how do local factors influence this interaction?”

Some understanding of the impact of the changes to ABSTUDY and any affect the continuing differences in eligibility rules and rates of payment may have on the role of the Youth Allowance may emerge through the rural and remote study within the aforementioned FaCS report which is being finalised.

**Recommendation 26**

The committee recommends that policy makers take into account the particular needs of Indigenous students in post–compulsory education and provide appropriate levels of support for these students.

**Supported.**

The Government is committed to achieving equitable and appropriate education outcomes for Indigenous students at all levels of education. Adequate literacy and numeracy achievement levels are essential prerequisites to success in post-compulsory education. The Commonwealth’s NIELNS will help Indigenous students cope better with their studies in the senior secondary years.

IESIP provides supplementary funding to education and training providers in the preschool, school, and VET sectors to improve Indigenous students’ educational outcomes. Education providers in receipt of IESIP funding are required to report their progress towards achieving agreed targets for Indigenous students, in each of eight priority areas, including participation, and retention and success in Years 10, 11 and 12. Some $151 million was provided in the 2000-2001 Budget for IESIP.

**Recommendation 27**

The committee recommends that funding directed towards higher education institutions for the purposes of Indigenous education should be adequate to ensure effective and appropriate educational outcomes for Indigenous Australians.

**Supported.**

The Commonwealth recognises the special needs of Indigenous people undertaking higher education through its requirement that higher education institutions develop Indigenous education strategies and through its provision of Indigenous Support Funding, in addition to operating grants allocated on the basis of student load. Education strategy documents are provided to DETYA each year for consideration during profiles discussions and are then published by the Department. Approximately $22.7 million is allocated each year to higher education institutions which use these funds for support activities such as study skills and personal counselling, provision of study centres and cultural awareness activities.

The method of allocating support funds used since the beginning of 1999 has placed a greater emphasis on performance by focussing more strongly on the success and completion rates of Indigenous students and reducing the focus on Equivalent Full Time Student Unit (EFTSU) alone.

**Recommendation 28**

The committee recommends that more funding be targeted towards flexible community develop-
ment and self-management schemes aimed at improving standards of health in Indigenous communities.

Supported.

A number of initiatives are underway through the Department of Family and Community Services (FaCS), the Department of Health and Aged Care (DHAC) and the Aboriginal and Torres Strait Islander Commission (ATSIC).

Department of Family and Community Services Initiatives

Stronger Families and Communities Strategy

The Stronger Families and Communities Strategy represents a new way of working. It recognises the importance of early intervention, the importance of partnerships, the significant role that the community will play in developing its own solutions to its own particular problems and perhaps most important, that the best answers came from the bottom up, not the top down.

The strategy will commit $240 million towards Australian families and communities, $20 million of which has been specifically earmarked as a minimum for funding projects that benefit Indigenous families and communities.

Anangu Pitjantjatjara Lands (AP Lands) Regional Stores Project

In late 1999, FaCS met with Nganampa Health Council and AP Executive to discuss the development of a Regional Stores Policy. The AP Lands, located in far North West of South Australia rate poorly on a range of socio-economic indicators and most particularly in nutrition.

The development of a Regional Stores Policy on the AP Lands is intended to:

- define the role of the store on the lands; recognising that stores should be viewed as a health service rather than an enterprise;
- create a standardised framework for the management of stores in the region;
- ensure that Anangu are actively involved in the management of stores in the region;
- bring about economies of scale in the purchase of goods generating savings that can be passed on to Anangu; and,
- employ Anangu in the stores setting.

Phase One of the AP Stores Policy is expected to be completed in June 2001.

Indigenous Housing

Under the Commonwealth State Housing Agreement, $91 million is provided through the Aboriginal Rental Housing Program (ARHP) annually to the State and Northern Territory Governments to address the housing needs of Indigenous people.

Funds are directed to remote and isolated Indigenous communities where housing need is highest, where there are no alternative sources of housing supply and where benefits in terms of improved health for Indigenous people is greatest.

ARHP funds can be used for capital works, maintaining and upgrading of houses, and improving the housing management capacity of Indigenous community housing organisations.

There are high levels of Indigenous housing need, particularly in remote and isolated areas. Many houses have been poorly constructed and are not maintained well. Indigenous people also experience major problems with housing ‘health hardware’ (the physical infrastructure required for health–water supply, waste systems, toilets, washing facilities, etc). All these housing problems create an unhealthy living environment and encourage the spread of infectious diseases which has a severe impact on health. Improving the living environment for Indigenous people will enhance their opportunities for social and economic participation and contribute to strengthening families and communities.

In addition, the Aboriginal and Torres Strait Islander Commission also provides around $217 million for Indigenous housing and infrastructure through the Community Housing and Infrastructure Program.

Department of Health and Aged Care Initiatives

Health Framework Agreements

Health Framework Agreements have been signed in each State and Territory between the Department of Health and Aged Care (DHAC), the Aboriginal and Torres Strait Islander Commission (ATSIC), respective State/Territory governments, and the State and Territory affiliates of the National Aboriginal Community Controlled Health Organisation (NACCHO). These agreements ensure that the community controlled health sector has a strong voice in the development of policy on Aboriginal health across the government sector and in joint regional planning.

OATS IH initiatives

The Office for Aboriginal and Torres Strait Islander Health (OATSIH) currently funds community controlled services in each jurisdiction that have flexibility in determining the services provided to their community.

The Indigenous Coordinated Care Trials are testing new models that encourage community
empowerment and involvement. These trials are currently being evaluated.

The Budget initiative announced in 1999/2000 provides additional funds to develop new or enhanced services where the need was identified through agreed joint regional plans. These services will be developed in accordance with the wishes of the local communities involved. The communities will also be involved in determining the extent of control they wish to have of the service both in the initial and future phases. Some funds will be available to allow capacity building.

The program also has some funds available to ensure that the boards and managers of community controlled services have access to appropriate training and skill development to maintain or improve their capacity for self-management.

Aboriginal and Torres Strait Islander Commission (ATSIC) Initiatives

The ATSIC/Army Community Assistance Project (AACAP) was established in 1996 by ATSIC, the Department of Defence and the then Department of Health and Family Services, to provide the delivery of basic infrastructure to some remote Aboriginal communities on a pilot basis. The key objectives were to provide better health and housing outcomes for Indigenous communities in remote areas. Particular attention was given to the construction and up-grade of water supplies, reticulation systems, waste water management and sewerage systems, housing, power generation, transport infrastructure and health clinics.

Seven pilot projects were chosen in communities already identified as having high priority needs under ATSIC’S existing planning arrangements for distributing National Aboriginal Health Strategy (NAHS) funds. The Aboriginal communities themselves were fully consulted at all stages of the project delivery process.

The initial pilot projects have been completed and evaluated, and were found to be extremely successful. There was agreement by ATSIC and DHAC to jointly fund the programme for a further $40million over four years. Two projects have recently been completed, two new projects are due to start early in 2001 and others are planned for 2002.

Recommendation 29

The committee recommends that relevant Commonwealth Ministers and state governments undertake immediate action through ministerial councils to coordinate programs to improve community health, including:

- identifying linkages between education and health care initiatives;
- providing maternal, baby and early childhood health care;
- teacher education to identify and deal with hearing impairments and other health issues in the classroom;
- accelerating the training of more community health workers in Indigenous communities;
- improving Indigenous access to specialist services and community and health education programs;
- encouragement of community efforts to improve nutritional standards through education and community purchasing and cultivation initiatives; and
- improving provision of school based health education.

Supported.

The Government supports the recommendation that the relevant Commonwealth Ministers and State governments work together to coordinate programs to improve community health, including in the areas specifically identified by the Committee. The Government notes that significant activity is being undertaken to this end. The Framework Agreements provide a mechanism for improving cooperation and coordination between all spheres of government and the community sector in the delivery of both Indigenous and mainstream health services to Aboriginal and Torres Strait Islander populations.

Recommendation 30

The committee recommends that MCEETYA look at the Northern Territory Community Care Information System’s potential for other parts of Australia.

Supported.

This recommendation refers to adapting the system for tracking mobile students and is considered within the NIELNS. The student tracking and support system included in the NIELNS will support students who are mobile and obtain a better picture of student attendance patterns, through the establishment of comprehensive student tracking and support systems.

In relation to this recommendation it should be noted that OATSIH is currently assisting community controlled health services to implement patient information systems that enable them to undertake community health care planning and implement better patient health care management. In addition to developing individual health care plans, these systems maintain a register of the local population, providing key demographic data to help organisations build their community health care strategies.

These systems have a proven capacity to improve the clinical management of complex conditions such as sexually transmitted diseases, diabetes and renal disease, and enable organisations to
demonstrate their effectiveness to both their communities and their funding bodies.

More than 60 services are using, or are in the process of establishing, patient information and recall systems, representing around 50 per cent of all health services considered likely to benefit from the use of computerised systems. The Office will continue to assist service to implement these systems over the next two years.

**Recommendation 31**

The committee recommends that responsibility for school programs and overall administration be devolved to school communities where appropriate; that this include financial self-management; and that assistance be given to local communities in developing a culture of management accountability for decisions made in their name.

Not supported.

This is the constitutional responsibility of States and Territories.

**Recommendation 32**

The committee recommends that funds under special purpose grants be provided to schools over a triennium.

Supported-in-principle.

Funding from the IESIP Programme has been aligned with the General Recurrent Grants quadrennium for 2001-2004. The IEDA Programme is currently funded under annual appropriations, but the Commonwealth expects it to be incorporated into the Indigenous Education (Targeted Assistance) Bill 2000. Sourcing IEDA funding from the Bill would provide security of funding over the 2001-2004 quadrennium.

**Recommendation 33**

The Committee recommends that DETYA guidelines allow for flexible use of ASSPA funding to allow school communities to apply grants that fit local educational programmes most appropriately.

Supported.

The ASSPA Guidelines are flexible, allowing for the diversity of circumstances of Indigenous students and enabling the Committee to develop activities most appropriate to the needs of the Indigenous students. Local ASSPA Committees develop activity plans for the use of the ASSPA funds. The activities are developed with the aim of improving participation and outcomes for Indigenous students and to increase the participation of Indigenous parents in decisions regarding the education of their children.

**Recommendation 34**

The committee recommends that the Minister initiate through MCEETYA a review of current processes for determining the allocation of capital grants to schools with a substantial Indigenous enrolment.

Not supported.

While the Commonwealth provides substantial funding for capital works in government schools throughout Australia, amounting to some $220 million this year, responsibility for schools, educational planning and the building and maintaining of schools, rests with individual State and Territory governments.

MCEETYA has adopted the ‘Statement of Principles and Standards for More Culturally Inclusive Schooling in the Twenty-First Century,’ which arose from the MCEETYA Taskforce on Indigenous Education, as a framework for action in all jurisdictions.

The Statement asserts that education facilities in the States and Territories provided for Aboriginal and Torres Strait Islanders should be constructed and maintained to the standard of facilities as for other Australian students.

Individual jurisdictions are responsible for funding and developing their educational infrastructure. In undertaking this role, they could be expected to take account of the Statement and Principles and Standards. The Taskforce will report back to Council in 2001 on progress with implementation of the Statement.

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**GOVERNMENT RESPONSE TO THE REPORT OF THE JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE ON THE 21 JUNE 2000 AUSTRALIAN GOVERNMENT LOAN TO PAPUA NEW GUINEA**

The US$80 million Australian Government loan to Papua New Guinea of 21 June 2000 was the first provided following the 1998 amendments to the International Monetary Agreements Act 1947 (IMAA). The amendments were made in the wake of the Asian financial crisis to provide a framework for the provision of financial assistance by Australia to countries undertaking economic adjustment programs with the support of the International Monetary Fund.

2. Under the amendments to IMAA, the Joint Standing Committee on Foreign Affairs, Defence and Trade is required to report within two months of the tabling of National Interest Statements tabled in support of loans made under IMAA. While supporting the execution of the loan to Papua New Guinea, the Committee raised a number of issues regarding the content of the National Interest Statement and noted concerns regarding
process issues, in particular on the timing of matters relating to the National Interest Statement tabled in support of the loan.

**The Content of the National Interest Statement**

3. Noting that the PNG loan is the first provided since IMAA was amended in 1998, the Committee has made three suggestions on the content of future National Interest Statements, viz, they should contain more detail on the terms and conditions of the loan, include a clear chronology, and provide information of ‘greater breadth and depth’ on the national interest. The Government acknowledges these concerns, and took them into account in the subsequent preparation of the National Interest Statement for the second loan to PNG executed on 14 December 2000.

   • The Statement for the second loan contains additional detail on the terms and conditions of the loan, consistent with normal principles of confidentiality applicable to such agreements.
   • The Committee’s proposal that a chronology be included in the National Interest Statement has been accepted; and
   • Discussion of the national interest has been expanded to provide greater detail on the nature of Australia’s relationship with Papua New Guinea, including in the context of the wider region.

**Process Issues**

4. The Committee made the following recommendation regarding the timing of the tabling of the National Interest Statement for the 21 June 2000 loan.

   ‘The Committee:
   • Expresses its concerns about the timing of the tabling of the National Interest Statement for the Australian Government loan to Papua New Guinea, and the impact that this has had on its ability to examine this loan in an effective manner, and therefore
   • Recommends that the International Monetary Agreements Act 1947, as amended in 1998, be further amended to ensure that Parliamentary scrutiny of loans proposed under its provisions occurs before such loans are executed.’

5. The Government agrees with the principle of the early tabling of National Interest Statements following the execution of loans made under IMAA. The Government notes, however, that there will sometimes be practical difficulties, arising from the Parliamentary sitting schedule, in giving effect to this principle.

6. In the case of the 21 June 2000 loan, the winter recess of July-August 2000 delayed what would otherwise have been an earlier tabling of the supporting National Interest Statement. The Government notes that an early tabling of the National Interest Statement in support of the second Government loan to PNG was also not possible, as its execution on 14 December 2000 came after the last Parliamentary sitting day for 2000. While the National Interest Statement for the latter loan was posted on the Treasury web site on 19 December, in fulfillment of the requirement under IMAA for its public release ‘as soon as practicable’ after the execution of the loan, tabling of the Statement was not possible until the resumption of Parliament in February 2001.

7. The Committee’s report on the 21 June 2000 Australian Government loan to PNG points to the benefits of close contact between Treasury officials and the Committee Secretariat over the timing of the tabling of National Interest Statements in support of loans made under IMAA. The Government accepts the desirability of such contact. In the context of the tabling of the National Interest Statement for the subsequent 14 December 2000 loan to PNG, Treasury officials liaised closely with the Committee Secretariat during the period of the preparation of the loan concerning an appropriate tabling date. The attention of the Secretariat was drawn to the public availability of the National Interest Statement on the Treasury web site.

8. However, the Government does not agree with the Committee’s recommendation that IMAA be further amended to ensure that Parliamentary scrutiny of loans proposed under its provisions takes place before such loans are executed. It considers that this could considerably weaken Australia’s capacity to provide rapid and effective assistance to countries facing financial crises. As noted above, the 1998 amendments to IMAA were conceived in the context of the Asian financial crisis, which called for speedy assistance by the international community to countries facing the effects of financial contagion. The second reading speech for the amendments to IMAA noted the importance of Australian Governments having the capacity to act swiftly ‘to help mobilise international support … [and] to provide commitments on our own participation’ in economic rescue efforts. The longer lead time for the 21 June 2000 Australian Government loan to PNG renders it something of an exception to the type of loan typically expected under IMAA.

9. The introduction of a period of Parliamentary scrutiny of the accompanying National Interest Statement before a loan is disbursed, even for the relatively short period of 5-6 weeks suggested in the Joint Committee report, could critically circumscribe Australia’s capacity to contribute to financial rescue packages and could weaken the effectiveness of international support efforts for countries in crisis.
10. The Government considers that the requirements of accountability and transparency are fully met by the current arrangements under IMAA. As previously indicated, in keeping with the spirit of IMAA, the Government accepts the principle that the National Interest Statement should be tabled as early as possible following the execution of a loan.

GOVERNMENT RESPONSE TO THE 31ST REPORT OF THE JOINT STANDING COMMITTEE OF TREATIES

The Government thanks the Joint Standing Committee on Treaties for its consideration of three treaty actions reviewed in the 31st Report. The Report makes a recommendation relating to one of these treaty actions. The Government response to the recommendation is provided below.


The Government is pleased that the Committee supported ratification of the Convention for the Safety of United Nations and Associated Personnel, done at New York on 9 November 1994 and recommended that binding treaty action be taken (2.17). Binding treaty action has been taken following the enactment of Commonwealth legislation.

The Government offers the following response to the recommendation put forward by the Committee in relation to this Agreement.

2.19 The Joint Standing Committee on Treaties recommends that:

the Attorney-General and the Minister for Foreign Affairs develop and raise for discussion in appropriate international fora, proposals to strengthen the protection afforded to non-United Nations humanitarian and development assistance workers

There is already substantive activity in this regard in international fora. The Government is participating in these international discussions and has established an inter-departmental consultative group to develop Australian proposals.

Corporations and Securities Committee

Senator CHAPMAN (South Australia) (3.35 p.m.)—I present the report of the Parliamentary Joint Statutory Committee on Corporations and Securities on aspects of the regulation of proprietary companies, together with the Hansard record of the committee’s proceedings and submissions received by the committee.

Ordered that the report be printed.

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

Leave granted.

Senator CHAPMAN—I move:

That the Senate take note of the report.

The First Corporate Law Simplification Act 1995, which amended the Corporations Law, changed the financial reporting requirements for proprietary companies. The act replaced the previous distinction between exempt and non-exempt proprietary companies with a distinction between large and small proprietary companies based on the company’s assets, revenue and employees.

In February 2000, the Parliamentary Joint Statutory Committee on Corporations and Securities resolved to inquire into the new reporting system. The joint committee undertook this inquiry for two reasons. First, when the new reporting requirements were introduced the object of the policy was to reduce the reporting obligations of small proprietary companies. Conversely, reporting standards for large proprietary companies, which have significant economic impact, were strengthened. Second, in two previous reports in 1995 the joint committee had noted that the large-small distinction might impose significant audit costs. This initial view was strengthened by early and significant indications of problems with the new reporting system. The Treasurer foreshadowed a review of the large-small test two years after its commencement. However, the joint committee considered that the proposed review would be limited in scope and would not address all the problems with the new reporting system. It was important, therefore, that any review should assess the effectiveness of the large-small test and consider additional measures to enhance the accountability of proprietary companies.

In February 2000, the committee advertised for public submissions, receiving 14 written submissions from individuals, proprietary companies, accounting firms and professional organisations. Public hearings were held in Canberra on 28 June 2000 and
in Melbourne on 30 June 2000. Although a number of submissions expressed support for the large-small test, the majority gave only qualified support or were critical of the new reporting system. The most common criticisms related to its arbitrary nature, the amounts of the threshold limits and the differential reporting for large grandfather proprietary companies. These submissions highlighted the practical difficulties in distinguishing between companies on the basis of size and financial circumstances and the costs associated with preparing and lodging financial statements.

In addressing the effectiveness of the new reporting system, submissions recommended various changes to the large-small test that would exempt a larger number of proprietary companies or extend the scope of the test to include presently exempt companies. Other options for reform included the reinstatement of the previous test for an exempt proprietary company and replacing the large-small test with the reporting entity concept. The committee concluded that there are fundamental conceptual and practical problems with the new financial reporting system for proprietary companies and, because of these problems, the new system has not achieved the objectives set for it.

The committee was particularly concerned about the complexity of the rules for determining the reporting arrangements for proprietary companies. Although in many cases applying the large-small test involves the application of threshold limits, the rules for determining reporting obligations have proven to be complex, unnecessarily onerous and costly—largely due to an inconsistency between the reporting requirements under the law and the reporting entity concept of the existing accounting standards and the discretion of the Australian Securities and Investments Commission to grant relief from the reporting requirements. Therefore, the committee was not persuaded that the large-small test should be retained, either in its current form or with the changes suggested to improve the efficacy of the test.

The use of an arbitrary, albeit quantitative, test has resulted in some companies being incorrectly classified and other companies in which there is a significant public interest not having to prepare and lodge financial statements. The committee considers that the operation of the large-small test will continue to be ineffective if the reporting requirements can be circumvented and if ASIC is unable to identify which large proprietary companies have failed to comply with their reporting obligations.

Of the three reform options put forward, the committee favoured the reinstatement of the previous test of exempt proprietary companies to reflect the two broad groups of proprietary companies: family-owned type companies and subsidiaries of disclosing entities. The reporting requirements of the law should reflect these separate groups and the nature and size of share ownership in proprietary companies. While this approach may result in certain non-exempt proprietary companies reporting publicly, even if there is no significant public interest, the existing reporting requirements create a far greater problem by excluding proprietary companies that are reporting entities from the requirement to prepare and lodge audited general purpose financial statements.

The exempt proprietary test should nevertheless recognise that there is a demand for financial information by creditors and others, and there are recent developments in the law affecting the duties of directors, particularly their current obligations for solvency. Accordingly, the joint committee has recommended that the previous distinction between exempt and non-exempt proprietary companies be reinstated to replace section 45A of the law and that all directors of proprietary companies be required to sign and lodge a declaration of solvency with their annual reports.

A consistent theme of submissions was the need to consider the cost benefit of the audit requirement applicable to proprietary companies. If the audit requirement is considered necessary or desirable in terms of public policy, then the benefits to the community must be realised and the cost to business minimised. For those large proprietary companies that are not exempted, the cost burden can be onerous and unwarranted.
Several submissions questioned the cost benefit of the audit requirement for large proprietary companies. To reduce compliance costs, it was proposed that all proprietary companies should be exempted from audit requirements. While the benefits of the audit requirement are clear, the joint committee found it difficult to assess their magnitude. The arguments for exempting all proprietary companies from the audit requirement focused solely on the costs a company incurs in preparing accounts and the audit of those financial statements. The arguments have some merit but ignore the needs of creditors, employees and others in the community who may be affected if the company fails.

Audited financial statements assist those outside the company to monitor its performance and to derive some assurance that the company is a solvent entity. The potential for managers and other insiders misusing inside information is also reduced. The committee therefore concluded that it would not be appropriate to relieve all proprietary companies of the audit requirement. This option would not be consistent with the reporting entity concept in the accounting standards, as some proprietary companies—particularly those that seek to raise equity or loan capital—will almost always have dependent users of financial reports.

The joint committee endorsed the submission by the Securities and Investments Commission that entities lodging financial statements should comply with minimum requirements of the accounting standards so as to ensure that financial statements are prepared on a comparable basis. At present, even large proprietary companies, which claim not to be reporting entities, may disregard these standards. The result is that two comparable companies could produce different financial outcomes depending on whether they apply the standards.

In order to resolve any doubts about compliance in this area, the committee recommends that reporting and non-reporting entities apply all the recognition and measurement requirements of the accounting standards. The joint committee also concludes that the standards should be freely available on the Internet, which is not the position at present. The need for audited financial statements will always outweigh other considerations but, as the submissions noted, for some proprietary companies the issue is more complex. The joint committee believes that the ownership of the company is a better indicator of the need to impose an audit requirement under the law than the somewhat arbitrary test of a company’s economic impact.

In conclusion, I thank all of the individuals and professional bodies who made submissions and the witnesses who appeared before the committee, in particular representatives of the accounting bodies, the Australian Institute of Company Directors and Mr David Knott, the newly appointed chairman of the Australian Securities and Investments Commission, who assisted with the committee’s public hearing in Melbourne. May I also thank the committee secretary, David Creed, and his staff for the high standard of professionalism they always bring to the committee’s work. I commend the report to all honourable senators.

Question resolved in the affirmative.

FAIR PRICES AND BETTER ACCESS FOR ALL (PETROLEUM) BILL 1999

Report of Economics References Committee

Senator MURPHY (Tasmania) (3.46 p.m.)—I present the final report of the Economics References Committee on its inquiry into the provisions of the Fair Prices and Better Access for All (Petroleum) Bill 1999 and the practice of multisite franchising by oil companies, together with the Hansard record of the committee’s proceedings and submissions received by the committee.

Ordered that the report be printed.

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

Leave granted.

Senator MURPHY—I move:

That the Senate take note of the report.

In doing so, I would like to make a few brief comments. This report, which has probably been a long time coming, involved what has become a fairly significant public issue, and
Thursday, 8 March 2001

it directly relates to the price of petrol. From the outset, in terms of the preparation of the report—indeed, it is a majority report that has two minority reports attached to it—I would like to thank the witnesses for the submissions that they put in, of which we received 59 as well as a further four supplementary submissions, and thank those who attended the five public hearings and the roundtable forum that we held during our deliberations. More importantly, I would like to thank the secretariat, who spent copious amounts of time both reviewing submissions and researching various matters to try to get to the conclusions that we arrived at. In particular, I thank Peter Hallahan, the secretary; Patrick McCormack; Jacqie Hawkins; and Angela Lancsar.

The report dealt with the matters that were referred to the committee on 12 October 1999—primarily the provisions of the Fair Prices and Better Access for All (Petroleum) Bill 1999, which was a private member’s bill introduced into the House of Representatives by Mr Joel Fitzgibbon. The principal objective of the bill has always been to seek a better outcome in terms of petrol pricing for the general public. During our hearings, it was quite clear, certainly to me, that it was a very difficult process to deal with. Consecutive governments have endeavoured to deal with the issue of getting a fairer approach from a wholesale petrol pricing point of view into the Australian oil industry. As it currently stands, the government has drawn up the oil code, which it seems to think will solve all of the problems but, during the hearings and particularly during the roundtable forum that we held, that was clearly not the view of many people involved in the industry. Even the ACCC held the view that the oil code was not a solution in itself.

There was an opinion that what the Fair Prices and Better Access for All (Petroleum) Bill 1999 proposes about franchise petrol station arrangements—that is, where you have franchisees and where major oil companies have become very significantly involved in the process of owning petrol stations, franchising them out and multisite franchising many of them—will further stifle competition. I think it would be fair to say that that is also the view of the ACCC. In our findings in respect of the bill, we do believe—that is, at least the opposition members of the committee believe—that the bill ought to be enacted. Indeed, it would be the policy of an incoming Labor government to implement the provisions of this bill.

Of course, the bill may not solve all of the problems and, as I said, petrol pricing is a very significant public issue. We all know that there are many factors that affect the price of fuel, not the least of which is tax, but it is very important that we do everything we conceivably can to bring about a better outcome in terms of delivering cheaper fuel prices at the retail end to the petrol consumers of Australia. It is clear that there are problems within this industry in terms of getting fair prices in the system. That was made abundantly clear yesterday in terms of the metropolitan versus country prices. In Sydney yesterday—and I do not say that this was at every petrol station—the price was 93½c per litre. In Moruya, which is a coastal town south of Sydney, the price was 99.6c per litre. For any person taking a drive around the country, in many different areas it is not acceptable that you can travel a very short distance from one rural place to another and see such a significant difference in the price of petrol.

I hope the government takes heed of this report. I do not agree with the findings of the government senators on the committee. The claim that the introduction of the bill would somehow impact constitutionally on the property rights of the major oil companies is simply not supported by the facts. Another claim is that, if the bill were enacted, the refiners or the major oil companies owning a significant number of service stations may choose to put up the rent to compensate for the possible loss through people purchasing up to 50 per cent of their fuel from another refiner or wholesaler. That simply does not stand the test of fact. On the basis of property rights, there are plenty of examples where governments have applied a common user principle and approach to what are seen as essential services for the general public, and that has not led to any constitutional dilemma. Likewise, I think that, at the end of
the day, if the major oil companies were placed in a more competitive position they would respond to that more competitively. They would not respond to it in a more anti-competitive way. In moving that motion, I propose to the Senate that this report and the recommendations in it are worthy of this Senate’s support. As I said, I hope the government takes heed of it. It has certainly felt some pressure in recent times in respect of petrol prices in this country.

Question resolved in the affirmative.

COMMITTEES
Employment, Workplace Relations, Small Business and Education References Committee

Report: Government Response
Senator JACINTA COLLINS (Victoria) (3.53 p.m.)—by leave—I move:

That the Senate take note of the document.

This is the government response to the report of the Senate Employment, Workplace Relations, Small Business and Education References Committee entitled Katu Kalpa: Report on the inquiry into the effectiveness of education and training programs for indigenous Australians. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Membership
The DEPUTY PRESIDENT—Order! The President has received letters from party leaders seeking variations to the membership of various committees.

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

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

Economics Legislation and References Committee—

Participating member: Senator Brandis

Finance and Public Administration References Committee—

Participating member: Senator Brandis

Foreign Affairs, Defence and Trade Legislation and References Committees—

Participating member: Senator Brandis

Legal and Constitutional Legislation Committee—

Participating members:

Senator Brandis

Senator Murray for the consideration of the provisions of the Customs Legislation Amendment and Repeal (International Trade Modernisation) Bill 2000 and 2 related bills

Substitute member: Senator Lundy to replace Senator McKiernan for the consideration of the provisions of the Customs Legislation Amendment and Repeal (International Trade Modernisation) Bill 2000 and 2 related bills

Legal and Constitutional References Committee—

Participating member: Senator Brandis.

BILLs RETURNED FROM THE HOUSE OF REPRESENTATIVES

Messages received from the House of Representatives returning the following bills without amendment:


Therapeutic Goods Amendment Bill (No. 4) 2000 [2001]

BROADCASTING LEGISLATION AMENDMENT BILL 2001

Consideration of House of Representatives Message

Message received from the House of Representatives returning the Broadcasting Legislation Amendment Bill 2001 and acquainting the Senate that the House has agreed to the bill with an amendment and desiring the concurrence of the Senate in the amendment.

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

REMUNERATION TRIBUNAL AMENDMENT BILL 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) (3.57 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.

Leave granted.

The speech read as follows—

The Government has established a remuneration environment that attracts and retains the best people in the Commonwealth public sector and that meets high standards of accountability.

The amendments to the Remuneration Tribunal Act 1973 that are proposed in this Bill, support this policy objective. They go to clarifying the respective roles of the Tribunal and the responsible Minister in relation to principal executive offices.

Under the Remuneration Tribunal Act, principal executive offices fall outside of the Tribunal’s determining jurisdiction.

The Tribunal can provide advice on their remuneration, but has no authority in this area.

In the Public Employment (Consequential and Transitional) Amendment Act 1999, the Parliament decided to expand the functions of the Remuneration Tribunal to allow it to determine a classification structure for principal executive offices.

This change was an important step in improving and reforming executive remuneration in the Commonwealth.

It was designed to encourage employing bodies – to the greatest extent possible and appropriate in a public sector context – to engage in productivity-based bargaining with their employees.

Allowing the Remuneration Tribunal to set a framework ensured that these negotiations would take place within appropriate parameters and with consistent reference points across decentralised authorities.

The Remuneration Tribunal issued a classification structure on 7 December 1999. It was tabled in this House as Determination 1999 Number 15 on the same day.

The classification structure for principal executive offices consists of five remuneration bands, with broad rules and defined boundaries.

It allows for a total remuneration approach, with limits for annual variations in remuneration and productivity-based bargaining.

Its detail mirrors in many ways the arrangements that were put in place by the Tribunal for Departmental Secretaries in early 1999.

It is a good framework, but legal advice suggests it is one that an employing body can ultimately choose to disregard, because of the wording of the amendments to the Remuneration Tribunal Act last year.

The Government wishes to rectify this situation through the amendments contained in this current Bill.

Following discussions with the Remuneration Tribunal, the Government has decided to take forward changes that enhance the role of the Tribunal in relation to the classification structure and to spell out clearly the process for translating public offices into the structure.

These changes improve the accountability of setting and reviewing the remuneration of principal executive offices. They also reinforce the Tribunal’s decision-making and coordinating role in the remuneration of Commonwealth public office holders.

The impact of the amendments include:

1. Giving the Minister for Finance and Administration the responsibility to make declarations for principal executive offices.

The Governor-General previously created principal executive offices through regulation. There are currently 11 principal executive offices. The Government hopes to increase this number significantly. Because of the large volume of offices involved, we believe that allowing the Minister to declare an office, with notification through the Commonwealth of Australia Gazette, is a better way of transacting this reform.

2. Giving the Minister for Finance and Administration the power to declare the employing body and the classification band or level in the principal executive office classification structure to which the office will be assigned; as well as the power to set the commencing remuneration for the office.

This is designed to improve accountability. It also ensures that in the translation of public offices into a total remuneration environment, the starting point is set explicitly.

3. Giving the Minister for Finance and Administration the power to declare an office into a particular classification temporarily, and/or to identify a level of commencing remuneration that is person specific.
This will help to deal with anomalies that may arise because of existing person-specific loadings, benefits or allowances, which are not relevant to an office in the long-term. It is designed to ensure that the market position of that office is not distorted.

4. Providing that the Minister for Finance and Administration must consult with the Remuneration Tribunal in creating a principal executive office and making the decisions mentioned above. This reinforces the Tribunal’s coordinating role on the remuneration of public office holders. It is consistent with the advisory role the Tribunal plays in relation to Departmental Secretaries and Heads of Executive Agencies under the Public Service Act 1999.

5. Providing that an employing body cannot determine terms and conditions for a principal executive office that are inconsistent with the broad rules and defined boundaries established by the Tribunal. An employing body can only put in place arrangements that are inconsistent with the classification structure for that position when it has gained the written consent of the Remuneration Tribunal.

The Bill also contains provisions to ensure that the arrangements that are in place for existing principal executive office holders before the commencement date for these provision are not affected by the provisions of this legislation.

I commend the Bill.

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

**Excise Tariff Amendment (Petrol Tax Cut) Bill 2001**

Second Reading

Debate resumed from 1 March, on motion by Senator Cook:

That these bills be now read a second time.

Senator TIERNEY (New South Wales) (3.58 p.m.)—I rise to continue my contribution to the second reading debate on the Excise Tariff Amendment (Petrol Tax Cut) Bill 2001 and the Customs Tariff Amendment (Petrol Tax Cut) Bill 2001. I again congratulate the Howard government on reducing the excise on petrol by 1.5c per litre. This stands in stark contrast to what Labor did during their 13 years in power. I would like to remind the Senate and also the nation of what Labor did to petrol excise during that time. They have a colossal hide in criticising this government over the last few months on petrol excise. They know, and indeed the public are becoming increasingly aware, that the price of petrol is being driven by what is happening in overseas markets in particular oil production countries that have put up the price per barrel of crude by 300 per cent over the last 18 months. That is what is driving fuel prices up.

Excise is a component, and we have reduced the excise. That is very different from what Labor did in 13 years. I cannot recall on one occasion that Labor ever reduced the excise on petrol. As a matter of fact, they did the exact opposite. They put it up in two different ways: first of all, they increased the real rate number of cents in the dollar; and, secondly, they indexed it, which meant that, as inflation went up, the excise went up in a compounding type of way.

The net effect of that compounding was that, while Labor started office with an excise on petrol of 8c, by the time they left office it was 34c, through that double compounding effect. Budget by budget, on five different occasions, they put up the actual rate and then, each quarter, it was compounded by the inflationary effects. So on 23 separate occasions under Labor the amount of cents paid by motorists went up. Why was that done? Because Labor could not manage their budgets, they could not manage the economy, we had the recession that we had to have, according to Paul Keating, and they ran up public debt to $90 billion. This government has now repaid $60 billion of that. So Labor had no incentive to reduce the excise. As a matter of fact, they took the petrol bowser as a milch cow where they could suck more money out of the taxpayers who were motorists, putting it up from 8c to 34c a litre. That is Labor’s record in government.

Our record over five years has been very different, and we have recently reduced the excise by 1.5c. If Labor were elected again, what are they likely to do in office? We can gain some guidance on what they are going to do from the words of the master himself, Mr Kim Beazley, who on 3AW with Neil
Mitchell actually gave us a bit of a window into what Labor is likely to do in this area. Neil Mitchell could not believe his ears, as is revealed from this transcript. He asked Mr Beazley:

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.

So just when you thought the Labor Party were going to roll back, it seems they have changed their mind. But wait, there’s more. Neil Mitchell continues his questioning by asking:

But you might look at taking the excise off petrol?

Kim Beazley’s response was:

... nor the excise for that matter.

Neil Mitchell thought he had misheard Mr Beazley and said:

Sorry, you said nor the excise. I must have misunderstood. Will you consider taking excise off petrol?

Mr Beazley then revealed his true colours, when he was backed against the wall. He said:

Well if you took the excise off petrol what particular schools would you start to shut?

So there it is: you are not going to get any relief under Labor.

If we are to judge by their 13 years in government, what you are going to get is a continual increase if the Labor Party ever get back into power. Why would they do that? Because their history—and, I am sure, their program if they ever get back—is as big spenders, which is the way they ran this country into trouble through the eighties and to the mid-nineties. After 13 years we had record inflation, record debt, record unemployment and total mismanagement of the economy. Increased fuel taxes would be part of that continued mismanagement by Labor if they ever get back into power.

Let us have a look at what happens in the state arena, because this whole area of charges on motorists through buying petrol is not just a federal government matter; it is also a state government matter. We collect excise on behalf of the state governments and then give that money back to the states. What do they do with it? There is a lot of variation between the states and there is a particular variation between Queensland and New South Wales. I was recently told the story of a motorist from the Hunter Valley, where I live, who went to Queensland and was absolutely amazed to find that petrol was 20c cheaper there than in New South Wales. Why? The reason is that, of the money from excise that the Queensland state government receives, they return $360 million to motorists every year. That is why petrol is 20c cheaper up there. The Premier of Queensland is very proud of that, and he has every right to be proud. He said:

We are the low tax state of Australia. I’m not surprised the Prime Minister is highlighting another advantage of living in the sunshine state.

So you have a Labor Premier in one state who is prepared to help motorists. In New South Wales, how much is his counterpart, Bob Carr, giving back? Not one cent, not a zack—nothing coming from Bob Carr. Maybe they should rename Bob Carr’s New South Wales as ‘the state that loves to slug motorists’. He gets the money back, and he gets a lot more back than Queensland does because his is a bigger state, but how much money does he give back to motorists?

The New South Wales state government receive back $707 million every year. How much of that do they return to the motorists? They return $47 million, and they pocket the difference, which is almost $650 million. Half a billion dollars of the motorists’ money is pocketed by the Carr government. Is he prepared to put the rate down? Is he prepared to return any of that? Not a cent. Why only $47 million? It is a very interesting sum. I will tell you what happens when you get to the Queensland border. Because the difference in petrol prices between, for example, the towns of Coolangatta and Tweed Heads, which are side by side, is so much—20c in fact—everyone who lives in the northern part of the state near the border would go and buy their petrol in Queensland. So they have a graded reduction in excise: those who live right up near the border get the full 20c, as you get further away it starts to reduce and when you get down to about Grafton it is nothing.
Grafton motorists are slugged the full amount by Bob Carr, like the rest New South Wales, because the government thought they were too far away from the border to notice. What we want to know is: why can’t Bob Carr bring that a bit further south—like as far south as the Victorian border? Let us give the New South Wales motorists the deal that the Queensland motorists get: 20c a litre cheaper. New South Wales can do it; it is up to Bob Carr to do it. He is given the money by the government. We call on him to return more than half a billion dollars that he is pocketing that really belongs to New South Wales motorists.

Senator GEORGE CAMPBELL (New South Wales) (4.07 p.m.)—What a pathetic attempt to defend a pathetic policy by a pathetic government.

Senator Tierney interjecting—

The ACTING DEPUTY PRESIDENT (Senator McKiernan)—Order! Senator Tierney, you were heard in silence.

Senator GEORGE CAMPBELL—Mr Acting Deputy President, I don’t mind him chattering away in the background.

The ACTING DEPUTY PRESIDENT—Senator Campbell, I will make the rules in this chamber.

Senator GEORGE CAMPBELL—The private member’s bill Excise Tariff Amendment (Petrol Tax Cut) Bill 2001 presented to this chamber by Senator Cook demonstrates the difference between the Labor Party’s approach to dealing with the issue of fuel and fuel prices and the approach of the government. The opposition arrived at the position adopted in the bill before the chamber through a process of extensive consultation and discussion with communities across the country and not on the basis of a knee-jerk reaction by a government desperate to turn around its political fortunes.

The Labor Party went out to rural and regional Australia. All over the country Labor listened to people’s concerns about the prices of fuel. We have come to a considered position, which is reflected in the amendments contained in the bill before the chamber. I took part in some of those hearings around the country, including in Taree, Foster and Raymond Terrace. I will read some of the comments we received in the process of the hearings. Mr Brian Ferguson, who represents the Australian Milk Vendors Association, appeared at the Foster hearing in New South Wales. He said:

There is an impact of [higher fuel prices] not just to the small business people, there is an impact on the whole community because all goods are transported into this town. There is no railhead. Nothing comes by boat ... everything here is transported into town [by road] ... everything we purchase in this town will increase. It just has to, it is just business sense. You must pass your costs on.

Mr Kevin Crossey, a service station franchi-see in Raymond Terrace, New South Wales, made a comment that I thought was extremely telling. He said:

Last month in particular was about a 30 per cent drop in sales, which is probably our biggest drop in a single month. It has been a real bad year for profits and volumes, since 1 July ... people aren’t out on the roads as much. For example, on weekends we are really quiet. They used to be really busy. On weekends people just aren’t out and about. They are conserving fuel. When you look at filling up the car, and it is $60 or thereabouts for a tank, people just aren’t going for a Sunday drive.

Carolyn Pickett, Coordinator of the Great Lakes Neighbourhood Aid in Foster, said:

Our program can only operate and maintain these clients to remain in their own homes, by having community minded, dedicated people freely volun-teering in their own time ... Most of our volunteers are on pensions and benefits and are finding it really difficult to continue in their volunteer role, when it is costing them money (for fuel). This service would dearly like to fully compensate the volunteers but is unable to due to budget constraints ... Our volunteers carry out 36,000 kilometres of transport and 3,000 hours of free service per annum. This service is concerned that if something is not done about petrol prices, then volunteering, the backbone of community services, who save this country millions of dollars each year, will be non existent.

Those people were not just talking about the impact of increased petrol prices and the immediate impact on their pockets for a tank of petrol; they were talking about the broader impact that these increased fuel prices were going to have on the community. The gov-
ernment is not really interested in solving the hardship that it has caused, particularly in regional and rural areas. It is not interested in solving the country-city divide. It has never attempted to seriously address the issue of the differences between metropolitan, regional and rural Australia nor does it have any serious policy options in place to address those issues. It has simply had a knee-jerk reaction to try to buy votes from motorists whom it believes are scared because of the impact of the increased cost of petrol.

This is a belated attempt by the Prime Minister to save his own neck. This is about trying to save the seat of Ryan for the Liberal Party—nothing more, nothing less. This has nothing to do with alleviating the burden on motorists, whether they be in regional Australia, rural Australia or metropolitan Australia. This has nothing to do with alleviating the burden on community organisations that cannot provide their services because of the increased cost of fuel; this is about trying to buy some votes to save the seat of Ryan from oblivion—from falling into the hands of the Labor Party at the by-election to be held next Saturday. It is a desperate attempt at political survival by a party that is struck by absolute panic. The Prime Minister knows that, if Ryan falls, his neck will be on the chopping block. If Ryan falls next Saturday, there will be calls within the Liberal Party for the Prime Minister to take early retirement—to move on to at least give them a chance to get something out of the wreckage prior to the next election. He knows he will be the target for all the nags in the party room if he does not hold on to the seat of Ryan next Saturday.

The Prime Minister is quite prepared to swallow his own words and his own integrity to save Ryan. He is already swallowing his own words and whatever little credibility he has left. Five months ago the Prime Minister said:

... having decided to spend $1.6 billion on roads to then go ahead and spend roughly the equivalent of that, or perhaps a little bit more on waiving this excise increase, to do that, well to do both would be financially irresponsible.

This is from the Prime Minister of a government that claim that their economic credentials are impeccable—that we do not have any, but theirs are impeccable. He is saying that it would be economically irresponsible to do it. He also said:

It is impossible from an economic point of view to do both. That would not be responsible.

But what did we see last week? We saw this Prime Minister do exactly that. He put into place and adopted as coalition policy something he said five weeks ago was economically irresponsible. Why did he do that? There are three simple reasons: there was an election in Western Australia where people made it clear what they thought of this government’s policies in relation to petrol pricing; there was an election in Queensland where the people made it doubly clear what they thought of this government’s policies on petrol pricing; and there is a by-election in Queensland come Saturday week where the axe is going to be wielded again, where the baseball bats will be out, and the message will be driven home to Senator Mason and his colleague Senator Brandis and whatever is left of the remnant of the Liberal Party in Queensland. That message will be driven home loud and clear, Senator Mason.

The Prime Minister has a history of saying one thing and doing another. We all know that. We all remember the ‘never ever’ commitment in 1995. We all remember the core and non-core promises. We all remember the promise that battlers would be no worse off if they voted for the coalition. The government do not have any qualms about shifting their policy position if it means hanging on to power, irrespective of whether or not it is good policy or about good government. To hold on to their position of power, they will do, in the words of Graham Richardson, ‘whatever it takes’.

Panic policy and about-face decision making is not about good government. Prime Minister Howard is not serious about good government and the interests of all Australians. His only interest is in his own survival and that of his government. And now he is prepared to stoop to new levels of hypocrisy to achieve it. This is a dishonest, panic-stricken government. It is high time they came clean and told us, for example, how much they have made from this tax on a tax.
What is the windfall they have received from the tax on a tax which resulted from the introduction of the GST? There needs to be transparency in the amount of tax people are paying. It should not be hidden through the application of a tax on a tax. The public have been ripped off by the double whammy of the GST inflation spike and the indexed petrol excise. It is also time the government came clean and told us how little of the windfall they have actually put back. How much are they still hanging on to?

The government accuse us of being policy lazy. But they are not backwards in coming forward and picking our policies whenever it suits them. For example, they have picked up our policy position on fuel excise—though they have not gone to the extent that we would have. They have picked up our policy position on the business activity statement, not because they wanted to but because it was right and they were digging themselves further into a trench by being insistent on keeping the position they had. They have picked up our policy to a large extent in their innovation statement. You can point to a range of policy initiatives that they have picked up and adopted as their own. And what do we see in here day after day at question time? We have ministers taunting us to get up and announce our policies. They say we are a policy-free zone, that we are policy lazy and that we do not have a policy on this or that. They ask, ‘Why don’t you put your policies forward?’ Why is it that we get this continuous barrage from the other side? Why do they want us to expose our policy position? Why do they want us to put our policies on the table? They want us to do that because they do not have any policies of their own. They want us to give them something to work with. They want us to solve their problems for them. We will put our policies on the table at the appropriate time. We will put our policy position before the Australian people. I know whose policies the Australian people will believe are in the best interests of the future development of this country. They have already spoken in the elections in Western Australia and Queensland.

It took our private member’s bill and the slaughter in the polls in Western Australia and Queensland to force this government to come to grips with dealing with the high cost of fuel in this country. It took some time to force them to come to the barrier and to announce the 1.5c a litre decrease, but we have already seen that discount being eroded by the falling dollar. The dollar is going south at a rapid rate of knots. This goes to economic integrity. Is this good economic management? This is from a government that claim their economic credentials are far superior to ours. The dollar is going south at a rapid rate of knots under a Treasurer who criticised us when we were in government because we had the dollar trading at 71c against the US dollar. We now have a dollar that is trading around the 50c mark and heading south. And they still claim to have economic credibility. What absolute nonsense!

This is a government that is about clawback. This is a government that is in a state of panic. This is a government that is suffering from a panic attack. In fact, that was demonstrated again today during the Prime Minister’s interview with Mike Carlton on 2UE. This transcript is hot off the press. It says:

Carlton: Does it mean that you are going to pull back from some other of your more cherished reforms like selling off the rest of Telstra? Is that off the agenda now?
Howard: Well, our position on Telstra, Mike, is as I’ve constantly described it. And that is that, um, um, it, you know, it is, um, it is, um, it is, um, as we’ve constantly described it.
Carlton: Which is?
Howard: And that is that first we’ve got to get it fixed, in other words, um, er, the services and everything in the bush before moving on.
Carlton: You still want to sell it off? The rest of Telstra?
Howard: Well, the condition is that we have got to be satisfied about circumstances and everything in the bush and I’m not satisfied at present.
Carlton: You are sounding equivocal. The end game is to sell it off?
Howard: I’m not, er, our position is that the sale is conditional on us first being satisfied and I am not so satisfied.
Carlton: Right, so is the sale now further down the track than you might have thought a year ago?

Howard: Well, ah, I, I, I think that that’s hard to quantify. Um, I think, I think that there’s still a lot of work to be done in relation to facilities in the bush. But the policy remains the same.

If anyone in this country can interpret what the Prime Minister of this country meant when he was trying to explain to the Australian public what their policy is on the privatisation of Telstra, they should come along and explain it to us, because there is no way the Australian public could understand what the Prime Minister was saying. In that interview the Prime Minister was saying, ‘I’m not prepared to say to you up front what our policy is because you know our policy is to sell Telstra, and we know that’s going to cost us votes in the bush.’ He is saying, ‘We know that people in regional and rural Australia don’t want the privatisation of Telstra, so I’m not going to come out and tell you what our policy position is because that would be contrary to our interests.’ It is not about good government, it is not about good policy and it is not about what is in the interests of this country; it is about trying to defend a government that is under siege.

The government’s policy change on fuel is cynical. The backflip was not seriously intended to save motorists, particularly rural and regional Australian motorists. One of the biggest con jobs associated with this government and the fuel excise is that they will not tell us how much money they have made by having a tax on a tax. The windfall has been estimated by Australian motorist associations as something in the order of $1.5 billion. But when we questioned Treasury officials during estimates about this windfall, what answer did we get? They refused to provide us with figures on how much revenue the government have collected through the double whammy of the GST and petrol excise. They told us the economy was going well and that the GST would only make things stronger. This was two weeks ago. But what did we hear yesterday? We heard that the economy had negative growth of 0.6 per cent in the last quarter, that the combination of the GST and petrol prices has crushed consumer demand, that unemployment is going to rise and that there is a dramatic deterioration in the economy compared with the picture presented. This is two weeks after Treasury officials told us at estimates that the GST is only going to make things stronger, that it is only going to give us a stronger economy. As our colleague said in the House of Representatives yesterday, ‘We didn’t get caught with the GST; we got king-hit by the GST.’ This economy is going under because it has been king-hit by a policy that is in its worst interests. (Time expired)

Senator MASON (Queensland) (4.27 p.m.)—I always enjoy lectures on economic management from the Australian Labor Party.

Senator Sandy Macdonald—Particularly from Senator George Campbell!

Senator MASON—Particularly from Senator Campbell and the Australian Labor Party, whose three most illustrious outcomes in their tenure of government were an $80 billion deficit over their last five years, the highest rate of unemployment in 1992 since the Great Depression—

Senator McGauran—One million.

Senator MASON—Even much more than that. And the third outcome—and Senator Campbell might be interested in this—is that real wages fell. The Labor Party presided over a fall in real wages. Under the Howard government real wages have risen. The workers of Australia that Senator George Campbell and the Labor Party claim to represent were worse off under a Labor government.

I want to look briefly at the Excise Tariff Amendment (Petrol Tax Cut) Bill 2001 before I go on to more enjoyable, broader issues. The bill before the Senate is delightful in that it proposes a cut in indexation. Of course, the Howard government has already done that. But what the bill does not do is much more important, and which the Howard government has proposed—that is, it stops automatic indexation. I will get to that shortly. In a sense this particular bill has been exposed as somewhat of a hoax, and it is quite embarrassing that we have to get up today and debate it; it is quite irrelevant.

I have always thought that there is one important moral in life, and it applies par-
particularly in politics: it is much more important to remember what people did when they were in office rather than what they say now. Do not listen to what people say; always remember what they did. That is the lesson in politics. What did the ALP do when they had their hands on government? When they came to office back in 1983 petrol excise was about 6.155c per litre and 13 years later when they left office excise was 34.183c per litre—an increase of 28c or 450 per cent. Under the Labor Party excise went up 450 per cent.

Senator Lundy interjecting—

Senator MASON—Now the Labor Party are the champions of the motorist and of the worker, yet excise went up 450 per cent, Senator Lundy, and somehow the Labor Party wants to forget that. Even more important than that, Labor introduced indexation in 1983. The Howard government has said that it is going to go—and it will go. Much worse than even that, Labor never compensated motorists or anyone else for rises that were above the CPI indexation. Five times during the course of the Hawke and Keating governments petrol was increased above the cost of living adjustment. In other words, petrol excise went up in real terms. That is what the Labor Party did. Again, do not listen to what they say; remember what they did. This is the history of the Labor Party in government. Somehow it is all going to change now. If the Labor Party is elected they are going to be a low tax government. No-one believes it but that is the claim made by Senator George Campbell and others.

Senator McGauran—And surpluses.

Senator MASON—And surpluses as well. Increase spending on everything and there will be surpluses and a roll-back to boot.

Senator McGauran—And what do they do in government?

Senator MASON—Over the last five years of their government, Senator McGauran, there was a $80 billion deficit. The Howard government has paid back $50 billion of the $80 billion. That is the record of the Australian Labor Party in government. You can never trust Centre Left governments: hands in the cookie jar, they spend, spend, spend and eat, eat, eat. They are irresponsible with Australia’s money. Labor has opposed all the measures introduced by this government to help keep fuel prices down. They even opposed our attempts to introduce more competition into the petrol industry, which would have benefited motorists. If Labor had succeeded in voting down the GST and fuel concessions a few things would have happened. Firstly, petrol would have been around 10 per cent more expensive for heavy vehicles and, thirdly, diesel would be taxed around 44c more for rail and marine transport.

I should mention an issue that was raised yesterday by Senator Hill. It relates to where the revenue for the GST is going—and, of course, it is going to state governments. The Commonwealth does not benefit from high petrol prices—the excise stays the same. Regardless of whether the retail price is, for example, 90c or $1.10, the excise remains the same, at just under 40c a litre. The indexation or excise does not give a windfall to the Commonwealth government. For every dollar of extra revenue raised through indexing excise around $2.40 is paid out through higher pensions and other government allowances also linked to indexing. The states and territories receive all the GST revenue.

Despite all the talk from the Labor Party—given that many states of Australia have Labor governments—if they were so keen to help the motorist, those governments receiving the GST revenue could give the money back. But they will not. This is another hoax of the Labor Party. They do not care about lower petrol prices for motorists. Not only did they not deliver them when they were in government but they could do it now—but they will not.

Senator George Campbell was very courageous in his speech—and I will give him that. He spoke about this government’s economic performance. Let me give an outline because it is quite remarkable. We have someone from the Left of the Australian La-
bor Party preaching to a coalition federal government about the economy. That of itself is an absolute farce. The Left of the Labor Party cannot control themselves with money. They have never been able to control themselves when they have their hands in the cookie jar.

Senator Forshaw—What if you have your head in your pocket?

Senator MASON—Senator Forshaw interrupts, but let me go through the history of your last performance in government.

Senator Forshaw interjecting—

**The ACTING DEPUTY PRESIDENT (Senator McKiernan)**—Order! Senator Forshaw, I call for order. Senator Mason, you will not debate across the chamber with Senator Forshaw. You will address your remarks to the chair. I will ask my colleagues on the left of the chamber to please control themselves and not provoke Senator Mason.

Senator MASON—Thank you, Mr Acting Deputy President. Do not listen to what the Labor Party or Senator Forshaw say. Remember what they did when they were in government. And what did they do when they were in government? In short, they bankrupted the country. That was their legacy to the Australian people. They spent $80 billion on the credit card in their last five years. The Howard government has paid back $50 billion of that debt that the Labor Party created. Does anyone think that they have somehow got better and changed? People like Senator George Campbell now lecture the government on economic management. This is the party that spent $80 billion more than they brought in over the last five years. What is worse—they sold off the farm and, having done that, they just spent the money. They did not even put it in recurrent expenditure—they spent every last cent they got and they bankrupted the country. Even worse—they sent people to the scrapheap. The unemployment rates during the Keating and the Hawke governments, particularly in the early 1990s, were the worst since the Great Depression. Those rates have come down under the Howard government. Never forget that. Remember what they did.

Who could ever forget—and I had family involved in this—the interest rates that people had to pay during the Keating and the Hawke government days? Under the Labor Party, people paid 17 per cent on mortgages—not seven per cent as we pay today. Relatives of mine that worked in rural industries and as farmers paid 22 per cent, 23 per cent or 24 per cent. Yet somehow it is the old story: ‘Forget about that; we have learnt something apparently.’ I say again: do not listen to what they say; remember what they did. Look at the Labor Party’s record—and it is atrocious. Under this government, we have seen productivity and company profits rise enormously, industrial disputation go down and, much more importantly than all of that, the average real income, the average weekly earnings of Australians, go up. Under this lot, what happened? Can you help me, Mr Acting Deputy President McKiernan? It went down. That is perhaps the worst indictment of a Labor Party government: real wages went south.

Even more offensive than the economic failure—I only expect economic failure from Centre Left governments; no-one expects anything more; we live with endemic economic failure from the Labor Party—is the moral failure. This is the moral failure: the Labor Party, dominated as it is by the Right today, will say or do anything to get into office. If that means opposing policies they know to be for the good of this country, they will do it. Make no mistake: the Labor Party will do or say anything to win government. The Left got it wrong in the 20th century; they cannot manage an economy. They have been put aside. But the pragmatic Right that run the show will—

Senator Forshaw—Mr Acting Deputy President, I rise on a point of order. I have been listening to Senator Mason now for about 10 minutes. As much as we are all interested in a lecture on ideology and all of that, this is a bill about petrol excise. I ask that, on the grounds of relevance, you draw him back to speak about the matter that is actually before the chamber.

**The ACTING DEPUTY PRESIDENT (Senator McKiernan)**—I appreciate the point. The bill is on petrol excise, but the
debate has ranged across the economic spectrum, and I do not think that Senator Mason is straying any more from the pattern set by previous speakers in the debate. So I will rule that there is no point of order.

**Senator MASON**—That is quite right, and thank you, Mr Acting Deputy President. The moral failure is perhaps even more gross than the economic failure. As I said, we on this side of the chamber can all live with economic failure from the Labor Party—that is a natural consequence. But their moral failure is far more obscene. Their deliberate obstruction with respect to good policy, because they think it is worth a few votes, is what the Labor Party stand for. They will do whatever it takes to win and they stand for nothing. Where is the moral compass in the Labor Party these days? What do they stand for? Nothing. There is no moral compass in relation to the Australian Labor Party. They will do or say whatever they can to win government.

Perhaps the most fascinating and very interesting issues—and Senator George Campbell touched on this—are social issues, because the implication from Senator Campbell was that somehow the Labor Party can tell us about social issues; that we are a government simply of feral abacuses and we do not understand the importance of social issues. I will say this and I am sure I am right: within the next 10 years the Labor Party will adopt our philosophy of mutual obligation.

**Senator Sandy Macdonald**—They have already done it.

**Senator MASON**—Yes, Senator Macdonald is quite right. They are already starting to do it. They do not want to talk about it, but increasingly they are doing it, just like the Blair government in Great Britain are doing it. They call it something else—reciprocal obligation, I think, or reciprocal responsibility. They will adopt it. People like Mr Noel Pearson accept it. In welfare cases, the Australian Labor Party will adopt the underlying philosophy that underpins conservative social philosophy—that is, mutual obligation. No-one gets a free ride and everyone can help. The government has a responsibility and individuals have a responsibility where they can. In my time in the Senate—however long that is—the Australian Labor Party will adopt that policy. When they do it, I will be here, and I will remind every last one of them how they were against that policy and how much they hated it.

**Senator Sandy Macdonald**—They will privatise Telstra too.

**Senator MASON**—Yes, they will privatise Telstra. They will keep the GST and all those sorts of things. In the end, despite all the great ideological debates of the eighties and the nineties, which we won, the best the Labor Party can do is to be a poor facsimile of us. They change their policies according to the latest opinion poll. That is what the Labor Party do. They change it a bit there, a bit here and hope for the very best. That is the best the Australian Labor Party can do. If you do not believe me, just watch Mr Beazley. What does Mr Beazley stand for? Nothing. He has no moral compass; he has no attitudes to anything at all; he has no ticker at all. He is supposed to be the leader not so much of the opposition but of the alternative government. That is what he claims to be: the leader of the alternative government. Yet he has no policies on, or understanding of, any of the major issues confronting this nation at all. During the 1980s when the Liberal Party was out of office, we still led the intellectual and the ideological debate. Even from opposition, we won the ideological debate. They adopted our policies on the economy—just like Mr Blair adopted the Thatcher compact, just like the Democratic Party in the United States adopted the Reagan compact. All they can now do is to look as much like us as they can with a shade of difference, depending on the latest opinion poll.

While I was growing up, the Labor Party used to believe in something. They used to call themselves social democrats, socialists—and what else was it?—I think Keynesians for a while and then corporatists. Remember all that stuff? Not anymore they don’t. Whatever happened to any of that? They do not believe in anything. They now sort of believe—

**Senator Sandy Macdonald**—There are a few loonies left.
Senator MASON—There are a few loony lefties left, whom I love. I love the loony Left because, even though they are wrong—and they have got the 20th century totally wrong—they believe in something. But the Right does not believe in anything. They will say and do anything for a quid. Spivs in silk suits is what the ALP Right are now. That is all they are. During the Christmas break I took the time to go up to Barcaldine. There is a tree up there, and despite the Beattie government’s failure in the environment, it has not been land cleared. It is known as the tree of knowledge. I led a small party out there one night and we had a look around the tree of knowledge.

Senator Sandy Macdonald—Did you spray something on it?

Senator MASON—We sprayed it with a few things. What do you think we found there? We found a few Labor Party membership forms that had been signed under the tree. We scurried around and found a few of those.

Senator McGauran—It ought to be chopped down.

Senator MASON—It should be chopped down. Some call it the tree of knowledge; I call it the shrub of ignorance. What did we find? The one thing we did not find was any soul. We did not find a soul under there. There is no soul. All there is is expedience and opportunism.

Senator McLucas—You wouldn’t know it if you saw it.

Senator MASON—Senator McLucas, you can say that, but the fact is that at least we believe in something; at least we lead the agenda. All the Labor Party can do is scab lift our policies. That is all the Labor Party can do. They do not come up with alternatives. The best they can do is ensure that it is as difficult as possible to implement our policies, even when they know—and I can see a good rightwinger up the back there in Senator Hutchins—that this country could not go on with the taxation system it had.

The good conservatives on the opposition knew there had to be reform. It did not matter whether it was Mr Keating, Mr Evans or former Senator Richardson; they all knew it. The most disgraceful thing the Australian Labor Party have done in the last 10 years is to deliberately undermine a reform they knew was essential to the good government of this nation. That is the most appalling thing they did. They have done many appalling things, but that is the most appalling. They knew that the goods and services tax was absolutely essential for the good government of this nation, and they opposed it for cheap political opportunism. It was the most shallow and the most pathetic thing they could do. If you do not believe me, ask Mr Keating or Mr Della Bosca what they think. They knew it had to happen, yet they sit there and hope to ride on the coat-tails of the GST into the next election. It is a pathetic stunt because what is even worse is that you will keep the GST. The Labor Party will not get rid of it; they will keep it. Their entire political strategy is premised on this pathetic scab lifting of our policies.

In conclusion, every time the Australian Labor Party say anything, do not listen. Just remember what they did when they were in government. Real wages fell, and the budget deficit went up, up, up. It went up $80 billion in the last five years, and we are still paying it off now. (Time expired)

Senator McLucas (Queensland) (4.49 p.m.)—Guess what? I am going to talk about petrol, because I think that is what the debate is about today. We were to come to this chamber to debate the Excise Tariff Amendment (Petrol Tax Cut) Bill 2001 and the Customs Tariff Amendment (Petrol Tax Cut) Bill 2001. I really hope that people who get the opportunity to read today’s Hansard are drawn to the fact that that is what we are attempting to debate now and take the opportunity to read the diatribe and the abuse from the former speaker—and understand that he was absolutely yelling—that I do not think did anything to enlighten this debate.

I would like to provide some background today which explains why we are having this debate in this chamber. In Australia, fuel prices will always be an issue that engenders a lot of community discussion. It is a simple fact that relates to our geography and the fact that our community is dispersed broadly across the continent. Commodity prices,
wherever you are in Australia, are related directly to fuel. Our society travels significant distances regularly to retain connections with family and also for their business operations. Our people are a dispersed group of people, so fuel and the cost of fuel will always be an important issue in Australia.

That is why during the 1998 election when the community accepted the government’s position on the GST—albeit the total Australian community did not accept it, but never mind; the lower house numbers were certainly in the government’s favour—I was so astonished that the government, in introducing the GST, did not seem to understand, did not even seem to think about, how their tax would impact on the community of Australia, especially those people who live in regional, rural and remote Australia. It is important to remember that the Prime Minister’s often quoted announcement that, ‘Petrol prices will not rise as a result of the GST’—a quote I think every Australian knows—was not a slip up. It was not an offhand remark that he made without thinking. It was a rehearsed, conscious and considered statement that he made in an address to the nation on 13 August 1998. As we all know now, and I believe he knew then, that was wrong. Labor also knew that it was wrong, that the formula the government was proposing to balance the GST and excise could not work and that the people who would suffer the most from this ill-considered policy were the people who did not live in metropolitan Australia, the people who have limited access to public transport, the people who rely on their personal vehicles to participate in their community and the people who, from their communities, import commodities and export the product that they produce, mostly by road. But this government’s defence of the statement that the petrol prices would not rise as a result of the GST was adamant.

I now turn to the member for Herbert, Mr Peter Lindsay, who was a defender of that policy long and hard, until October-November last year. He then decided that he would go into bat for the motorists of his electorate and ask for a reduction in fuel excise to ease the burden on his electors. In the  

Townsville Daily Bulletin on 6 November 2000, the columnist Mr Butts said:

We all know our federal member Peter Lindsay did his best to ease the squeeze on fuel. He was one of the first pollies to speak up against his own government on the issue. But while he had the sympathy and the votes of most colleagues, he could not penetrate the arrogance of his master, John Howard. In fact, the Prime Minister is none too impressed by some of the comments by some members of his flock.

So Mr Lindsay early in November took up the gauntlet with the Prime Minister in explaining the woes of the people of Herbert. The backflip that we saw was swift and sure, as he was obviously told in no uncertain terms to toe the party line. But not only did he toe the party line, his explanation was extraordinary. On 9 November, in the document that Mr Lindsay inserts into the Townsville Daily Bulletin—the Herbert Herald, a community newspaper, written and authorised by Peter Lindsay, and paid for by the taxpayers of Australia—under the banner headline ‘Why the PM is tough on petrol’, he said:

Everyone thinks that a two per cent litre cut in fuel excise next February would be welcomed. But the reality is that a cut would actually see motorists paying more. It sounds paradoxical, but it is true. I understand that motorists do not like the current price of fuel, but calls from the Labor Party for a discount on indexation of excise could result in motorists paying $5 a week more instead of $1.20 a week less. Making the two per cent cut next year would run down the budget, sending a nervous message to the financial markets. This would result in a devaluation of the Australian dollar, making petrol more expensive. As well, there would likely be a quarter per cent interest rate rise, which would cost a home-owning motorist $5 a week.

He went on to talk about how production and distribution would soak up the two per cent anyway and that indexation pays for welfare payments and pensions. In part of the conclusion of that section he said:

It would be easy and popular for the Howard government to cut excise by 2c, but it would hurt all Australian motorists.

So initially he supported the government’s position; then he went to the Prime Minister and suggested that he wanted to change it; and then he came out with that extraordinary
defence of why the GST petrol excise mix has to stay.

Labor had predicted that the CPI adjustment to the excise in February was going to have a flow-on increase of approximately 1.5c to 2c a litre. The Australian Automobile Association agreed and predicted that the increase in revenue was of the order of $600 million a year. So it was with that in mind that Labor took the opportunity to formally raise this private member’s bill, the **Excise Tariff Amendment (Petrol Tax Cut) Bill 2001**, and the associated bill: to relieve motorists of that burden. This policy position was not made in panic; it was an informed policy position—informed by a thorough assessment of the impacts that this government’s petrol pricing policy was having right across the community, whether in city or in country Australia.

These bills were informed by a process that we undertook: the federal parliamentary Labor Party caucus committee’s petrol price inquiry. As people would know, it has been an inquiry that has traversed Australia. Since November of last year, we have taken evidence in 35 locations from more than 180 witnesses, and have received hundreds and hundreds of submissions. Most recently, the inquiry took evidence in Cairns. Fifteen people presented information to the inquiry, and their submissions reflected the diverse nature of our community and the diverse way in which increased petrol prices have impacted on our community.

I have long been concerned about the impact of rising fuel costs on Aboriginal health, especially on people who live in remote places on Cape York Peninsula. My view has been supported in a submission by the Tropical Public Health Unit. Ms Dympna Leonard, a nutritionist with the unit, reported on survey work that has been undertaken since 1997. That very important research shows that food costs are much higher in the Aboriginal communities of Cape York Peninsula than in more accessible areas, with fruit and vegetable costs being 30 per cent more than they are in cities or regional centres. Where costs are high, certain foods are not provided. That means that the variety is not provided to those consumers. Most concerning to me though is that Ms Leonard reported that more than half of those people living in remote and very remote places do not eat any fruit, and almost half do not eat vegetables. One does not wonder at that, when these goods are 30 per cent more expensive than in town. She said that any factor that adds to the cost of healthy eating will have a negative impact on health—and transport costs are, of course, a component of those costs.

Mr Bob Sullivan, a former Mayor of the Cook Shire, President of the Cape York Peninsula Development Association and owner of the Cooktown supermarket, supports the view that she proposed. Mr Sullivan agreed that the GST on fuel excise was a tax on remoteness, citing an increase of 14 per cent in freight costs in the last seven months. These costs cannot be absorbed by a small business such as his and must be passed on to the residents of the community. Mr Sullivan also referred to increases in air travel from Cooktown to Cairns and the resultant social damage for his community. Since July, airfares have risen from $145 to $213—an almost 50 per cent rise. Many residents have to resort to using the bus service, a round trip of more than 12 hours, necessitating an overnight stay. Sadly, he had to report that many hospital patients have had to take this bus option, rather than travelling down and back in the one day by plane. These costs are directly attributable to the increase in fuel costs, and the Liberal government continues to deny its responsibility. I can also report to the Senate that Sue Edwards, the Director of Nursing at the Cairns Blue Nursing Service, reported a blow-out of $500 per month in fuel expenses, which has resulted in the service running $5,000 over budget for this year.

Mr Barry Erke and Mr Neil Chitty also gave evidence to the inquiry. They are prawnfishers who trawl in the East Coast Prawn Fishery and the Torres Strait. Between them they have 85 years experience fishing in the north. Normally, trawler operators budget about 22 per cent of the overall cost of their operations in fuel, but last year this increased by $62,000. Prawn prices, of course, are no better. They are no worse but they are no better, so the savings have had to be made
elsewhere. These experienced fishers reported to the committee that, sadly, trawler refits have been limited in many vessels in the fleet, compromising safety at sea. Further, deckhands have had to be laid off. This government are prepared to sit on their hands while jobs are lost and workers’ safety is compromised. The committee took submissions from farmers whose diesel for energy generation has risen astronomically, from taxi operators whose patronage has decreased and from transport operators whose profit margins have been decimated. ‘We have to get big to get out,’ was the message we were given. We also heard from a service station operator with many years of experience who ascertained that his hourly rate was now something like $8 an hour.

Labor’s parliamentary inquiry into petrol pricing has been a respected consultation process which ensured that our response to the situation the government has presented us with has been measured. The contrast between Labor’s consultation and the events of last Thursday could not be more stark. Last Thursday’s amazing policy panic has been one of the most spectacular backflips ever seen in Australia’s political history. I would like to return to Mr Lindsay’s contribution to this discussion. Only a month ago, on 2 February, on being asked whether fuel tax was an issue, Mr Lindsay said on the ABC in North Queensland, ‘In my view it’s not an issue.’ Mr Lindsay’s electorate can rightly be confused about where his position actually is. Is Mr Lindsay truly in touch with his electorate? I also ask: why last Thursday? Why did we have this event where we had this enormous backflip? An earlier speaker, Senator George Campbell, has most eloquently explained the reason for that event. Queenslanders know that the reason we had the backflip last Thursday was because of the looming Ryan by-election on 17 March. That is the motivation for the policy change of this government. It is not about good government; it is not about community benefit; it is not about caring for community. It is 17 March, the Ryan by-election, that has motivated policy changes in this government.

I would like to turn to the issue of pricing of LPG, liquefied petroleum gas, which has been raised regularly in the inquiry, notably by those in the taxi industry. Alternative fuels such as LPG produce less carbon dioxide per litre than petrol. For every litre of petrol used, 2.3 kilograms of carbon dioxide is released from the exhaust. For every litre of LPG used, 1.5 kilograms of carbon dioxide is released from the exhaust. Carbon dioxide is the main greenhouse gas contributing to global climate change. For a car that travels 15,000 kilometres per year, 765 kilograms less greenhouse gas will be produced if it is LPG fired compared with a car fuelled with petrol. Having spoken today with a large taxi operator in a rural area in southern Queensland, I can provide the Senate with the following information. LPG prices in May 2000 were 33c per litre. Currently they are around 55c to 65c per litre. Taxi fares in Queensland are regulated in conjunction with the Queensland Department of Transport. On 1 July last year, fares were increased as a result of the GST by 7½ per cent. The industry was concerned about the level of that rise. They did not want fares to go up but they knew that they were not going to cover costs otherwise.

In November, during a regular review of fares that happens annually, the cost of fares had to be increased another 13 per cent, partly due to the GST costs but most considerably due to the increased prices of LPG. That is a total of 20.5 per cent that taxi fares in Queensland have had to rise because of that twofold problem. Taxi drivers do not want to see taxi fares rise, because the net result every time it happens is that they have a decrease in patronage. In January of this year patronage of this particular taxi operation had fallen by 12.86 per cent compared with the same time last year, and in February the decrease in patronage had grown even more, to 13.81 per cent. The facts are that LPG costs have doubled. Patronage is down 12 to 13 per cent, and it is easy to see that returns on these small taxi businesses must be dwindling.

It costs between $1,600 and $2,000 to convert a vehicle to use LPG. Before the rises, a converted vehicle needed to travel about 40,000 kilometres a year to justify the cost of the conversion. Now the taxi needs to
travel 60,000 kilometres a year to justify the conversion. I am advised that taxis are increasingly not converting to LPG, because it is simply not cost effective to do so. We know that fewer taxi operators are investing in cleaner fuel and the net effect of course is that we will have increased greenhouse gas emissions. Maybe the Australian Greenhouse Office could have spent their money more wisely by spending some of their money on dealing with this issue of decreased use of LPG instead of some of the questionable advertising that we have been seeing in some of the major papers. I have also been advised that, the further north one travels in Queensland, there is less and less incentive to convert to LPG as the difference between LPG and petrol prices becomes less. Unless there is a 20c per litre difference between the cost of LPG and the cost of petrol, the efficiency of converting to LPG just does not appear.

The other question that needs to be answered in this whole discussion about LPG is one that I would like to know the answer to, which I have tried very hard to find. It is certainly a question that the taxi industry and that most Australians want to know the answer to: where is that extra revenue going? We have had increasing costs from 33c to almost 60c a litre—who is making the money out of that change? Prices have doubled. According to my research, production costs have not increased in any substantial way, retailers are advising us that margins are still small—they have maintained them at the same level—and they are also advising us that when petrol rises there is a similar rise in LPG on the same day. These are the questions that need to be answered; they need to be canvassed. The government has taken no interest in the issue of LPG. It is not only the taxi industry that is concerned about this issue but also people across Australia.

In conclusion, Australians would not be so outraged by the massive increases for fuel—petrol and LPG—if their roads were not in such appalling condition; if $640 million, when it comes to Queensland, had not been taken out of their budget in 1995-96 for national highways; and if an attempt had not been made to dupe them into thinking that they would get some return on this Roads to Recovery program that most people in Queensland, I have to say, think is a waste of money.

Senator TCHEN (Victoria) (5.09 p.m.)—I also rise to speak on the Excise Tariff Amendment (Petrol Tax Cut) Bill 2001 and the Customs Tariff Amendment (Petrol Tax Cut) Bill 2001. First, may I congratulate Senator McLucas for her thoughtful contribution, which was very much in contrast with her colleagues on the other side’s contributions, in which they mainly engaged in personal abuse and generally trawled through the dirt, hoping some of it would stick. However, Senator McLucas’s contribution was actually quite a refreshing change from the sort of thing we usually witness from the opposition. She also raised some quite interesting points about road funding, the condition of roads and so on, which I will address later. As far as I can remember, she is the first one on the opposition side—I do not know for how long—who has ever considered this question of roads, particularly rural roads, in a positive way.

When the Customs Tariff Amendment (Petrol Tax Cut) Bill 2001 (No. 2) was first foreshadowed by the Leader of the Opposition, before the parliament returned, there was a degree of interest—not only from the general public but also, in particular, from people on our side of politics. This was the first indication in two years of the Labor side giving any consideration to policies. The assumption would be that you cannot move a bill about tax without having some idea of policies. Since they were brave enough for the Leader of the Opposition to actually get up and say, ‘We’re going to move a bill on petrol excise,’ one presumed that he had some basis on which to draw up such a bill. As it happened, it turned out that it is a bill to simply—

Senator Hogg—Do you want a loan of my speech?

Senator TCHEN—No. It is just a bill to remove the CPI indexed increase in petrol excise.

Senator McGauran—In February.

Senator TCHEN—In February only. That is not all that exciting if that is the limit of
it—and that is exactly the limit of it. Like most Australians, I lost interest in the debate, particularly after 1 March, when the bill was actually presented in the other place. The government then made an announcement about changes to the petrol excise regime. Basically, that makes this bill totally redundant. Nevertheless, to my surprise and somewhat disappointingly, the opposition continued to present this bill and insist on this debate, taking up valuable time in this chamber.

I have not been following the debate a great deal, but I did happen to be listening to it last Thursday. I heard Senator Ray’s contribution in lieu of Senator Bishop’s contribution. Senator Bishop was due to speak, and I am not sure whether he could not find his speech or could not write his speech, but he was not there on time, so Senator Ray had to get up. I would like to read, from the Hansard of 1 March, the start of Senator Ray’s speech. I always pay particular attention to Senator Ray’s speech, because—withstanding his lack of content—he always a joy to listen to him, provided you do not pay any attention to what he actually says. On this particular day, he said, in lieu of Senator Bishop:

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.

Senator Jacinta Collins—I thought he got a Senate scooter.

Senator Tchen—Did he? I am not sure whether he was debating with himself as to whether he should change the content of the speech that he had written—or that someone had written for him—because of the change in circumstances or whether he was wondering what he should do about it. Senator Bishop then popped up and said that it would take him five minutes to get ready. Senator Ray then said:

... I have to assure him that I doubt my excellent contribution will go that long.

Someone of Senator Ray’s eloquence cannot guarantee that he can speak on this bill for more than five minutes. That is how much the Labor Party actually has in the substance of this bill. Nevertheless, Senator Ray carried on. His normal five minutes went on to 10 minutes, but that is nothing unusual.

Let me go through what Labor’s bill is about. Labor’s bill wants the February excise increase, which is about 1.5c a litre, removed. That is it—no more. On 1 March, the government announced the removal of the 1.5c in excise, but that is not the main point. The main thrust of the government’s announcement is the abolition of six-monthly fuel excise indexation. I suspect that is why Senator Bishop was late—because that really hurts you on the other side. The monthly indexation was your baby. It was the Labor Party’s baby. The Labor Party imposed the six-monthly CPI indexation on Australian motorists. What is more, the killer in this CPI indexation is that it does not go up so much if the CPI is low, but it does go up if you have CPI growth, which the Labor Party was very successful in having during its 13 years in office.

This should have brought any sensible or reasonable person to speechlessness. Of course, it does not stop Labor Party senators getting up here and spouting for 20 minutes each. The government has done two other things. The first thing the government has done which will complement this action is give additional power to the ACCC to step up fuel price monitoring. The second thing is that the government will now conduct an independent inquiry into the structure of fuel taxation, and that will go to the fundamental fuel tax question.

Labor Party senators have, at various times, pointed out, assumed or suggested that the government have made this policy change due to panic, due to pressure from the public or due to pressure from the Labor Party. This change will cost the budget, the government’s revenue, an estimated $555 million. I know that for Labor Party senators $555 million is nothing, particularly compared with the $12 billion black hole you left us. This is less than one-fifth of that. This is only half a billion dollars. However, the government believe in fiscal responsibility. The government believe that we should manage Australia’s economy and social services re-
sponsibly. Half a billion dollars may have been nothing to your Treasurer then, but it is very important to the government now. It will take a bit of time to work out the impact of this reduction in revenue. It will take time to work out how to balance the budget again. Let me remind senators that it is important to the government that the budget should be balanced and that fiscal policy should be responsible.

The key issue in this—and it is why we have been subjected to a further debate on this redundant bill—is that the Labor Party is sore, sorry and in a frenzy, because your thunder has been taken away from you. That is number one. But, more importantly, you are sore because your beloved system of automatic indexation has been scrapped. Unlike the Labor Party, the government have always been concerned about the high price of petrol. But we are also conscious of the fact that petrol prices are not entirely subject to government control. Petrol prices are subject to the world crude oil prices. Nevertheless, the government have always sought to find ways of making sure that we get as much value as we can out of the Australian people’s motoring dollars.

One of the ways of doing that is not so much reducing the excise on petrol but using petrol excise wisely. Instead of putting it in the general revenue or spending it wastefully, the government will use it on things that can help Australian motorists drive further and carry more goods—in other words, trying to improve Australia’s roads. Making sure that fuel consumption is lower per unit of goods moved is a much more effective way of using fuel than trying to cut the price, because simply cutting government excise, cutting the government’s share of the taxation on petrol, only reduces the government’s ability to provide services for the rest of the Australian community, and the saving does not necessarily flow on to the consumer. Basically, those are the important issues in this debate.

Earlier, when I was talking about the importance of the cut in indexation and how it is a fatal blow to Labor’s case, I had a lot of interjection from Labor senators. So I would like to spend a bit of time looking at the indexation situation. Indexation on petrol excise is relatively recent. The Labor Party introduced it in 1983. Before 1983—in other words, during the years of the coalition government and even in the short period of three years of Labor government in the 1970s—there was no indexation on petrol excise. One can only assume that the then Labor government did not have time to put indexation on petrol excise, and certainly during the years of coalition government since the war there was no indexation on excise. But in 1983, when a Labor government came in, Australia had automatic indexation introduced and imposed on the petrol excise.

Under the 13 years of Labor government, through this automatic indexation system, the excise actually rose 23 times. Because inflation between 1983 and 1996 averaged over 5.2 per cent under Labor, the indexation increases in the excise were significant. Not less than seven times the increase was over four per cent. In 1983 the excise was only just over 6c per litre but by the time the Labor Party—fortunately for Australia—left office in 1996 the petrol excise was 34c per litre, nearly six times higher. In addition to the indexation, the then Keating government also arbitrarily increased petrol excise by 5c per litre in its last three years of office.

By contrast, although the Howard government did not immediately remove the automatic indexation, the point to remember is that throughout our five years in office the CPI increase has been minimal. Without an increase in the CPI, the index increase is also minimal. In addition, on 1 July 2000 the Howard government cut excise by 6.7c per litre to compensate for the introduction of the GST; in other words, to maintain the petrol excise at the same level as though the GST had not been introduced. Then on 1 March the Howard government reduced the excise by another 1.5c.

Further to this, to help Australian motorists, the farming community, the manufacturing industry and the transport industry generally, the Howard government has cut fuel costs for heavy transport by 24c per litre in the last five years. We have introduced a Fuel Sales Grants Scheme for regional and remote areas. We have expanded the off-road
diesel fuel rebate scheme to cover marine and rail transportation. In addition, through the GST system the Howard government allows business to claim back the GST that they pay on their fuel.

I will sum up by looking at what we might be able to guess the Labor Party’s policy may be. Firstly, the Labor Party would not take the GST off petrol. We have heard nothing of any promise about that—even though we know such promises are not worth anything, there have been no promises.

Senator Crane—They haven’t got a policy.

Senator TCHEN—Yes. That is unusually ominous on this particular occasion, because not having a policy has never prevented Labor Party senators and shadow ministers from making claims on what they would do. We also know the Labor Party are definitely not going to reduce the excise on petrol, except this one-off proposal which is no longer relevant. We know that the Labor Party had no intention of ending the six-monthly indexation of the excise. They have complained about many things that the government has done, but I am yet to hear one Labor member of parliament, Labor senator or Labor shadow minister get up and say, ‘We are not opposed to the scrapping of the six-monthly index.’ We would all welcome such a statement and some sort of promise, even though it would only be on paper. In the meantime, before Senator Cook, amongst others, became a sudden convert to lower taxation, he stated in the committee report that he chaired:

The government’s proposed tax change—

that is on the GST—

will encourage business to use more heavily polluting petrol fuels at the expense of LPG, LNG and other more environmentally friendly fuels.

In other words, what they are objecting to is that if you remove the tax, if you reduce the excise, it will encourage people to use more petrol and they are less likely to use LPG and LNG. Therefore, one must assume that the conclusion will be to not remove the excise; to make petrol more expensive so we can encourage people to use more environmentally friendly fuel. (Time expired)

Senator HOGG (Queensland) (5.29 p.m.)—Not unexpectedly, the other side has failed to understand the debate that is taking place both in this chamber and in the broader community. Clearly the voters, the electors, the consumers of Australia have understood the debate. The issue is quite clearly the imposition of a tax on a tax. That is what the debate is about, Senator Tchen. I will now take you back seriatim through some of the more appropriate quotes that one needs to look at in this debate. If one goes back to the undertaking by the Prime Minister on the issue of the GST, which is the tax that we are talking about being imposed on the excise, in the address to the nation on 13 August—as my colleague Senator McLucas also quoted this afternoon—the Prime Minister said:

The GST will not increase the price of petrol for the ordinary motorist.

Treasurer Costello, in a media release on 7 September 1998, said:

The Government’s proposed New Tax System will not lead to any increases in petrol prices.

Clearly we are talking about the imposition of the GST on any other taxes and, in this case, that tax is the excise. That is solely what the debate has been, and should have been, focused on. A release by the Minister for Transport and Regional Development, the Hon. Mark Vaile, on 7 September 1998 said:

Petrol prices for motorists in regional and rural Australia will not rise with GST... Further on in that press release he said:

The significant reduction in excise will ensure petrol prices will not rise with the GST—in fact in the case of businesses—petrol prices will fall by seven cents a litre.

Clearly, the issue is about the imposition of the GST on the excise that is being paid. Post the election, in an interview with Philip Clark on Radio 2BL on 28 March 2000, we had the Prime Minister saying:

Yeah, that the price will not go up as a result of the GST.

Further, this is in response to a claim that the GST would impact on excise. This GST was the never ever tax that was not going to be a tax on a tax—the government expounded on the evils of a tax on a tax. We were told there would not be a tax on a tax. The government
took what they thought was the high moral ground, because it suited them. However, the impact of the Howard-Lees GST was always going to be there on excise. It should never be forgotten by the Australian electorate that the Democrats supported the GST and all its consequential effects. If one needs any further proof of what happened, one can just turn to the *Advertiser* of 26 June 2000, where Mr Phillip Coorey in his article ‘Fuel for the fire’ said:

On Friday—
That would have been Friday 23 June 2000—
Mr Howard said it ‘might rise’—
He went on with a quote—

“What we said was that as a result of reducing the excise when the GST came in the price of petrol need not rise. We didn’t say we would reduce it at the pump, we said that it need not rise,” he said. That’s not what he told Sky TV on April 2.

“What I’ve guaranteed is that the price of petrol will not rise as a result of the GST,” he said.

So we see that there was a commitment that there would be no impact of a tax on a tax, the GST impacting on the excise itself. That was the purpose of the bill presented by my colleague, and that was the outcome. History now shows that there has been a different outcome. But if you want another view on this, you only need to go to the article in the *Daily Telegraph*—and I never thought I would be quoting Terry McCrann—

**Senator Forshaw**—He never thought you would either.

**Senator HOGG**—I see a few jumps. On 2 February he said:
But also an extra $55 million or so of GST tax on that extra excise tax. A straight tax-on-a-tax.

It’s important to understand that none of this is avoided by the governments “promise” to balance the GST on petrol with a cut in the excise.

So the debate is clearly focused on, and clearly about, a tax on a tax. Clearly that is the understanding that has gone out there into the public at large. In that same article, Mr McCrann went on to say:

There is also a serious problem with the Government’s proposed “7c-off, 10 per cent-on” switch-over at July 1.

And it’s a problem which would directly hit people in the country, making an utter mockery of Howard’s hand-on-the-heart trek in the bush.

The switch works okay at a 77c pump price. But petrol prices are always higher in the country, sometimes as much as 20c a litre higher.

He went on to say:

Take a 92c country petrol price. The 7c comes, but when you then add the 10 per cent GST, you go back to 93.5c.

You only have to look at the prices quoted in that article to see how far out of date those are today. Then we had the backflip on 1 March. The *Australian* of 2 March had an article by Ian Henderson with a direct quote of the Prime Minister:

“Let me make it clear that I was plainly wrong in not understanding some of the concerns held by the Australian people about the price of petrol and I acknowledge that,” a contrite Prime Minister volunteered.

There are more quotes:

“We decided to act now because we believe (there) was undeniably public anger,” he added, fending off suggestions that the move was aimed at winning the March 17 by-election for the Brisbane seat of Ryan.

Clearly the Prime Minister has recognised that people in the broader community are undeniably angry. They are not dills. They are not angry for any other reason than the imposition of a tax on a tax, which well and truly could have been avoided. In the *Weekend Australian* on Saturday, 3 March, in an article headed ‘You’ll pay: PM’s last say on petrol,’ Duncan Macfarlane said:

An angry Richard Court, the Liberal premier who lost government at the West Australian election last month, lashed out at Mr Howard for rejecting his campaign requests for a cut in excise. “We were pretty angry at the time when our requests were ignored, and I saw it as poor taste for the Prime Minister to infer that this was not an issue after our election defeat,” Mr Court said.

It is not something that is simply confined to Queensland. It has been most evident in Western Australia and Queensland, being the two states where there have been recent state elections. Clearly Mr Court was angry because he had tried to do something about it. He obviously knew what the issue was; one can read between the lines. The issue with
the public was the tax on a tax. Mr Macfarlane goes on:

The excise cut was one of a range of measures designed to appease public anger in the run-up to the March 17 by-election in the Queensland seat of Ryan. Following coalition defeats in Western Australia and Queensland elections, a loss in Ryan would be taken as a sign that the government will lose the federal election later this year.

That really gets to the bottom of it—the fear of the loss of the election; forget the other things that we have heard about. Let us look at Queensland. Let us look at what happened on the ground in Queensland. In Queensland there was an absolutely incredible result, a result that no-one anticipated. Some 66 seats are now held by Labor, some 12 seats are held by the National Party, some three seats are held by the Liberal Party and three seats are held by One Nation—One Nation holds the same number of seats in Queensland as the Liberals—and there are five Independents. Furthermore, the National Party in Queensland are so disenchanted with the so-called coalition arrangement that they severed the coalition arrangement. The coalition is no longer in place.

It cannot be denied and it cannot be argued that petrol was not an issue. It was not simply the price; it was the fact that there was a tax on a tax—there was the GST on the excise. In spite of the PM saying sorry, I do not believe that the electorate are convinced in any way by the actions of this government. Time will show that the general public viewed with great cynicism the move made by the government, and I think that that would be fitting. Listening to some of the coalition speakers from my state, Senator Mason, in particular, would go well driving one of those trucks, as would Senator Brandis, who did so much to help the Labor Party in Queensland win state government. Without the assistance that we were afforded by Senator Brandis through his offerings in this chamber, I do not know that the margin would have been so large.

Today I want to encourage those opposite to take up these challenges. Go out to the public. Forget about the high moral ground that may have been taken some time ago; go out and tell them about the tax on the tax—why it was there and why it was taken off. Go and doorknock in Ryan. Talk to them about the cynicism in the minds of many of those people. They are not dumb; they are not silly. They know about world petrol prices. The issue was the GST on the excise—the tax on the tax. Whilst there are other federal issues at play in the Ryan by-election, this one is very much at the forefront of the minds of many people. As a special offer to those who might take up the offer to get out the debt truck, the GST truck, the BAS truck, the beer truck and the petrol truck, I can arrange a union ticket through my good friend Senator Hutchins, who has associations with the Transport Workers Union.
Senator Crane interjecting—

Senator HOGG—I am sure he would be prepared to accommodate those people, Senator Crane, to assist them in driving the trucks around the electorate of Ryan. If you look at the electorate of Ryan, Senator Crane, you will find that there are quite a number of major roads there—roads on which the Liberal Party can expose its own weakness to the people of Queensland. But let’s not just concentrate on the people in the seat of Ryan; let’s see the Liberal Party go all the way and show the people of Queensland something positive about what they have done and bring a little bit of joy to their hearts by driving the debt truck, the GST truck, the BAS truck, the beer truck and the petrol truck. But while we are looking at this important issue of petrol prices, we will look at what happened last Saturday to the Liberal Party candidate in the seat of Ryan.

Senator Crane—An excellent candidate.

Senator HOGG—I am pleased to hear you say that. Last Saturday when this important issue of petrol was high in the minds of a lot of people, the Liberal candidate, Bob Tucker, visited the Toowong cemetery between about 10.30 a.m. and 12 noon. That information was fairly reliably given to me. Mr Tucker was at the cemetery for a Centenary of Federation function. The function was to look at the establishment of a permanent memorial for Sir Samuel Griffiths and three others who were associated with Federation. So, one day after the Prime Minister’s major announcement, the Liberal candidate was visiting the Toowong cemetery to look at the establishment of a permanent memorial for Sir Samuel Griffiths.

It is interesting to note that the Toowong cemetery is not in the seat of Ryan; it is in the seat of Brisbane. The member for Brisbane was undoubtedly quite pleased to see the prospective candidate from the seat of Ryan there. As we know, most people at the cemetery are deceased and would in no way be affected by changes that were made by the government the previous day. So, instead of Mr Tucker getting out there and talking to real people, asking real people their thoughts on the issue and trying to explain away the government’s stance of a tax on a tax, he was visiting the Toowong cemetery. I find that rather curious when there seems to be so much scrambling and clamouring by the Liberal Party to win the seat of Ryan.

Clearly identified not only by journalists but also a lot of political commentators is the fact that, had there not been substantial defeats in the state elections of Queensland and Western Australia or had the government wanted to face complete defeat in the seat of Ryan, the action taken Thursday last would not have taken place at all. The people out there—the real people—view rather cynically what this government has done in this area. They know that the debate is really about a GST on an excise—a tax on a tax. That is what should have been argued in this debate right throughout.

Senator CRANE (Western Australia) (5.49 p.m.)—After that contribution and the one before it, I am not quite sure where to start. But I would like Senator Hogg to let me know sometime whether or not he sought permission from Senator Ludwig and the AWU to apply the rules that are common to the Labor Party and the union movement of a compulsory ticket to drive a truck in Queensland. Maybe that is the policy of the current Beattie government—I do not know. It is certainly not the policy of those on this side of the chamber. We believe in freedom of association. I would like those on the other side of the chamber to declare their position on this aspect of the debate, because it was Senator Hogg who introduced this into the debate. He kept saying to us, ‘This is what we ought to be talking about,’ but he could not help but go back to his old roots, his upbringing. No doubt Senator Ludwig will have a word or two to him afterwards for jumping into his territory. I think it is well worth reminding the Australian population that, once again, that issue has reared its ugly head in this chamber in a debate where it was not necessary.

I must pick up the point that Senator McLucas made. It was rather an interesting one: the money from the Roads to Recovery program is a waste of money. I think they were her exact words. I happened to be sitting in my office when I heard that incredible comment: a waste of money for Queensland.
I have decided that I am going to drop a line to Premier Gallop in Western Australia and invite him to have a word to Senator McLucas. I am quite certain the new Western Australian government will be quite happy to pick up Queensland’s share and would spend it very wisely and it would not be wasted. That is another incredible comment that has come out of this debate.

But the most remarkable thing about this debate—something I cannot believe; something that I have never heard of or seen before; and it is a pity the galleries are not full to hear this—is the fact that this general business notice of motion, in the form of this private member’s bill, was brought forward and debated after it had been gazumped. One really has to ask you people on the other side of this chamber: why have you continued this debate about taking 1.5c a litre off the price of fuel when it had already been done? What a waste of time! What a waste of a debate to stand in here and talk about a tax on a tax and not even deal with the issue of fuel policy.

The ACTING DEPUTY PRESIDENT—Order!

Senator CRANE—I am sure the Acting Deputy President will not be one of those voting to knock it back. I can guarantee that, because he is a sensible Western Australian. But from time to time, I have to say that you people on the other side really lose it.

The ACTING DEPUTY PRESIDENT—Order! Senator Forshaw! I have called for order, please.

Senator Forshaw—He is asking me a question.

The ACTING DEPUTY PRESIDENT—Order!

Senator CRANE—I do wish to talk a little about fuel, because there are some very important facts we should put on the table. We have to deal with these issues in real terms and what they mean in a policy sense over the years. The first point I want to make is that our performance in dealing with fuel has turned out to be in equally but not more difficult circumstances than those facing the Labor government in 1985, when the price of world crude was excessively high. In fact, if you look at the figures in real terms, you will see that in June 1983 the real price of petrol was 82.3c a litre. If you deduct the 6c excise in place then before you index it, the real price of fuel was 74c a litre. If you look at today’s figures, you will see the price of fuel in Sydney in June 2000, which were the latest quarterly figures available to me—but there will be more coming through, so I will update them when the time comes—was 85.8c per litre. If you minus the 38c a litre excise, you are left with the sum of 47.8c per litre as the real price of fuel—not more than half.

The ACTING DEPUTY PRESIDENT—Order!

Senator Forshaw—June 2000?

Senator CRANE—Yes. These are Sydney prices.

The ACTING DEPUTY PRESIDENT—Order!

Senator Forshaw—that was before the GST.

Senator CRANE—Through you, Mr Acting Deputy President, facts really hurt these people. They cannot handle them. They like to cook up a story. They like to put something together. They think people are mugs; they think people will buy it. If we go a little further, 8c of that money goes to the states, which is what we picked up on their behalf when the High Court handed down its
infamous ruling. Back then, when Labor were in power, the Commonwealth Labor government gave nothing to the states from the collection of the excise. So we see a very different scenario. The opposition do not want to debate policy. Let us hear what their policy is as far as indexation is concerned. We know about their record from 1983 until they were voted out of government. One of the propositions that I put at my original pre-selection, which was nearly 11 years ago, was that I would work as hard as I could until I got rid of this insidious indexation on fuel. I have stayed with that, and I am very proud to say that at long last it has gone. Any increases in excise now will have to run the gauntlet of transparency. It is long overdue.

Senator Sherry—What about beer?

Senator CRANE—You can go and have a beer if you want to; you will not interrupt me.

Senator Sherry—Don’t be stupid.

Senator CRANE—You come in here and start interrupting. Senator Sherry was not even in his seat 15 seconds before he started interrupting.

Senator Sherry interjecting—

The ACTING DEPUTY PRESIDENT—Order, Senator Sherry!

Senator CRANE—Thank you. Let us talk about our policy projections since 1996 and what we have done for the cost of transport in this nation. They are very important reforms. Another reform I have argued very strongly for is the removal of excise from rail transport. I could never understand why it was ever there, because it penalised what should be the most efficient form of transport for most of our products, certainly for our bulk products, in this nation. We have taken 24c a litre off the cost of excise for road transport. Once again, that is very important if you want to get the cost down.

Despite what we read in the papers and what we heard before about the cost of doing business in the transport industry, fuel today is cheaper than it has been for 20-odd years, and probably more. That is the contribution of our transport policy and our commitment to this nation for those industries, particularly those industries that are in regional and remote areas. But it is not only for them but also for industries that operate both inside and outside our metropolitan areas—their cost of doing business has come down very considerably. You have to extend that to small business, where the GST on smaller vehicles—whether it be a ute or a car—used in the running of a business is rebatable. These have all been extremely important policy changes.

We have listened to the Labor Party, the proposed alternative government, throughout this debate for some hours now, but I have not heard one projection of what their policy will be for fuel. I think they now owe it to the Australian public to let them know what their policy position is. Is the 24c a litre rebate going to remain? Is the excise that was taken off rail going to be put back? What is going to happen to the excise that has been taken off alternative fuels? The Australian people are entitled to know one or two things at least about the policy position of the Australian Labor Party going into the next election. You can go through these particular aspects but you never hear a debate on policy, which is what this debate today should have been on. Once the 1.5c a litre was taken off the price of petrol, there was nothing for them to talk about on this bill. It is a waste of time.

Senator Forshaw—It is not. Where is your legislation? You support our bill.

Senator CRANE—Oh, come on! Here we go again! Let us play the band. Senator Forshaw, who has been consistently interjecting throughout my contribution, is off once again. He cannot handle the hard stuff. He cannot handle debates dealing with policy issues. We hear him once again, the little parrot on the other side, chirping, chirping, chirping—it does not really contribute very much to things at the end of the day.

The ACTING DEPUTY PRESIDENT—Order! The time allotted for the consideration of general business orders of the day has expired. The Senate will proceed to the consideration of government documents.
Debate resumed from 6 March, on motion by Senator Collins:

That the Senate take note of the document.

The report we are dealing with is the statement of corporate intent 2000-01 recently issued by Employment National and tabled in the Senate. I want to draw to the attention of the Senate a number of statements in this statement of corporate intent, and reflect on some of the appalling financial difficulties brought on by this government in a company that it established. The key performance indicators in this statement of corporate intent state:

Employment National has developed revised performance indicators in response to its changed circumstances (ie the change from JN1 to JN2).

It goes on later to remind us that:

The Government—that is, the taxpayers of Australia—is the sole shareholder in Employment National and thus our primary stakeholder.

It goes on:

In the current environment, operating under formal Ministerial Direction, the Board is conscious of the need to respect the Minister’s requirements that EN—

then there are number of dot points, the first of which is:

• restructure and trade out of financial difficulty

How did Employment National get into this financial difficulty? What is the extent of the financial difficulty? It is a very long and complex story. As I said earlier, Employment National was established by the government as a wholly owned government enterprise to deliver job placements on behalf of the Australian people within a contested, privatised employment market. Employment National’s performance in this contestable, privatised employment market was very impressive. Up until the end of 1999, it was so successful that it recorded a profit of $44.5 million. Seven months later, in the budget of May 2000, it was requiring a $56 million cash injection of funds from the budget to stay afloat. How did this occur? Depending on your view, it was either a mixture of incompetence and monumental stuff-ups on a truly grand scale or a conspiracy.

There were a number of players involved. There were a number of ministers: the then Minister for Employment, Workplace Relations and Small Business, Mr Peter Reith, the Minister for Finance and Administration, John Fahey, and the successor to Minister Reith, Mr Abbott. And, of course, there were a number of heads of department: Dr Shergold from the Department of Employment, Workplace Relations and Small Business and Dr Boxall from the Department of Finance and Administration.

The story, very briefly, is that, in the tendering process that occurred, Employment National undertendered for the contract by a very small amount due to a misunderstanding over the interpretation of the GST, of all things. Rather than being allowed to resubmit a corrected tender—Employment National’s tender was the lowest—they were prevented from doing so. As a consequence, Employment National lost the overwhelming majority of its tender work. Flowing on from that, the company was required to sack more than 1,000 people throughout Australia. And flowing on from that, the government was required to enter into what is called a letter of comfort—not much comfort for more than 1,000 people who were sacked as a result of this monumental incompetence or conspiracy, whatever your particular view is. That letter of comfort was given by the government to protect its investment in Employment National, after virtually bankrupting the company, during the company’s restructuting. A letter of comfort provides financial support for the company and is unquantifiable and open-ended.

It is a very complex story. Time does not permit me to go into any more detail here today. But I am pleased to see at least—if somewhat brief—a statement of corporate intent, which, regrettably, marks the grave of Employment National.

Senator JACINTA COLLINS (Victoria) (6.05 p.m.)—Senator Sherry referred to the Employment National document as somewhat brief. I would characterise it as flimsy at best. It is as flimsy as the government’s
commitment to Employment National, as demonstrated by some of the matters Senator Sherry covered with respect to the financials and the history of Employment National. I note that the document is not even authorised by any person, with no direct reference contained in the statement of corporate intent, which I understand is relatively irregular. But it also contains no synopsis of Employment National’s current situation, so there is no way to judge the context of the statement of corporate intent.

I am concerned when brand image is raised in the third paragraph of the opening page of the document. While brand image and corporate communications have their place in a modern organisation, it is hard to believe that this is the most critical issue in Employment National’s agenda. Good marketing starts with developing a good product that people want. Unfortunately, some years back the government eroded Employment National’s resources to the extent that it was unable to perform and be of service to the community.

As I mentioned, the statement of corporate intent is rather flimsy on content. And if I were being unkind I would say that it is even starved of information. Where are the sections, which a document of this nature would normally cover, on such issues as the nature and scope of activities to be undertaken, financial structures, accounting policies, business management objectives, social responsibility and community interest—very important issues in employment services—and a brief of assets, liabilities, revenue and expenses? Some of those were dealt with in an earlier financial statement, but there are still many other issues that would normally be built into a statement of corporate intent that simply are not covered.

Unfortunately, Employment National has had a traumatic birth and a turbulent childhood under the Howard government. I do not want to exacerbate those woes, but I hardly think that the organisation is getting enough support from the government if it is being asked to produce publications like this statement of corporate intent, which I summarise as, ‘Say nothing, hide everything and commit to zip.’ What makes this matter so appalling is that this statement of corporate intent is one of the few crumbs that the government has allowed to be given out about Employment National. Look at the recent history: the government accepted Employment National’s request for an interim corporate plan to be lodged in 1999 to cover the period to the end of the first Job Network period, as it was not possible for Employment National to submit a robust corporate plan covering a three-year period without knowing the outcome of the second Job Network tender. Then the government decided not to table the company’s 1999-2000 statement of corporate intent, which was superseded by the outcome of the second Job Network tender. Such events only reinforce the perception that this government has never been serious about Employment National. It has only ever offered weak direction and support to the organisation, and it appears nothing has changed, by the quality of this document.

So how do we get past this wafer-thin strategy syndrome? Firstly, the government needs to work out its own strategy for Employment National in consultation with the community; and, secondly, the minister needs to work on what he wants Employment National to do, unlike his current vague statements in the statement of corporate intent. Then, and only then, can Employment National itself get on with developing a real, viable strategy.

Question resolved in the affirmative.


Debate resumed from 6 March, on motion by Senator Mackay:

Senator MACKAY (Tasmania) (6.09 p.m.)—I wish to make a couple of comments tonight with regard to this report. I spoke briefly in the chamber the other night in relation to it. I would like to raise two issues. The first is the issue of rural transaction centres, which is in fact traversed extensively in this report. I would like to go to comments made by the minister, Senator Ian Macdonald, in relation to rural transaction centres, which we explored today in question
time. The minister did not contradict or indicate that he had not made the comments that we asserted, so I think it is appropriate at this point to advise those people who may be listening what this minister actually said in relation to rural transaction centres. An article in Victoria’s Weekly Times of 28 February 2001 said:

Senator Macdonald, a Liberal Party MP from Queensland, has also described as ‘silly in the extreme’ the government’s 1998 election promise to establish up to 500 rural transaction centres over five years in small rural communities hit by dwindling services.

I would just like to make the point to the Senate that this promise of 500 rural transaction centres was in fact made by none other than Senator Ian Macdonald. He is the minister who said that we will have up to 500 rural transaction centres by the end of the five-year Rural Transaction Centres Program. It is not the opposition or the people who are attempting to get money from the Rural Transaction Centres Program but the minister himself, who described his own target as ‘silly in the extreme’. I guess this candour from a minister could be congratulated, except the minister has done nothing to fix up the rural transaction centre scheme. Not only do we not have anywhere near 500 rural transaction centres two years into the five-year program, not only do we not have the 70 rural transaction centres that the minister said would be in place by June of last year, but as of today, according the department’s web site, we have 19 rural transaction centres and a serious underspend in the Rural Transaction Centres Program. I think it is about time that the minister came clean with people in regional Australia and said that maybe, just maybe, there was a difficulty with the way the program was set up.

I would like to put another thing on the record, that is, at the inception of the Rural Transaction Centres Program—bearing in mind that we opposed the further 16 per cent sell off of Telstra, a move which is widely regarded as a good thing, as we continue to oppose the full sale of Telstra—we said to this minister, ‘Why on earth don’t you look at existing public infrastructure? Why don’t you look at the 2,500 post offices that already exist in regional Australia, assist Australia Post to deliver more services, look at Australia Post using some of its profit to provide more services and fast-track the Rural Transaction Centres Program?’ We are not saying that the 19 rural transaction centres which exist are bad. We think they are good. We just think that there should be more than 19 of them at this point. It is an absolute disgrace in terms of administration and in terms of a huge underspend of money in regional Australia.

Senator Macdonald thinks he can give an interview to the Weekly Times and get away with it, but we are here to say, ‘Minister, when this program was in fact established, you should have picked up the Labor Party’s proposal of looking at Australia Post in regional Australia and using its infrastructure.’ But this government would not do that. Why? Because this government intends to deregulate Australia Post, which will mean closures of post offices and postal outlets in regional Australia—the very place where Australians need these services the most. Often the local post office or postal outlet is the only point of contact for banking services. But this government has an ideological obsession with Australia Post. It wants to deregulate Australia Post and wants to diminish its capacity to deliver services, as it wishes to pursue the sale of Telstra. Why did the minister not do that? I invite the minister to come in here today and explain what is wrong with the Rural Transaction Centres Program and finally illuminate us as to how he intends to fix up this mess that he himself has created.

Senator O’BRIEN (Tasmania) (6.14 p.m.)—In terms of this very interesting report of the National Office of Local Government, can I say that, from all my observations, the officers of the Department of Transport and Regional Services are extremely professional and have presented their report extremely well. One would have hoped that their professionalism would rub off on their minister, the Minister for Regional Services, Territories and Local Government, but, having observed his performance today and on other days, that does not appear to be the case.
Unfortunately, we heard two contributions by the minister in question time. The first was in response to Senator Mackay’s question asking him to respond to the quotes in the Victorian Weekly Times of 28 February which stated that the government’s policy on rural transaction centres—that is, its promise of 500 rural transactions centres—was ‘silly in the extreme’. As Senator Mackay just pointed out, that is the minister’s own policy; it is the policy that the minister announced. Having heard that, I thought it might be worth while doing some research. The minister suggested that the only time he used the words ‘silly in the extreme’ was to describe Senator Mackay at estimates. I asked my staff to check the Hansard to see whether those words could be found. I would not profess to be an expert on how the database works—my staff are more expert than me on that—but I am told that no such quotes could be found. I hope that Senator Ian Macdonald was not misleading the chamber. If he did mislead the chamber in the heat of the moment—because he was obviously very embarrassed by the question that was asked of him—I hope he will come down to the chamber on the next sitting day and correct the record. I would expect, if he is an honourable minister, he would do that.

We also had to look at another web site after Senator Mackay’s personal explanation. I remind the Senate that her personal explanation resulted from the minister saying that he personally had checked Senator Mackay’s web site and he had obtained his own press releases and the government’s own policy announcements from that web site. As Senator Mackay indicated, he would have done that by a very deliberate action of clicking on the part of the site which connected him back to his own department’s web site. That is the only way he would have found that. I hope Senator Macdonald was not trying to present a picture which was completely untruthful—and I would not suggest that. Perhaps he has made a mistake, or maybe in the heat of the moment he suggested that he accessed the site when it was his staff who really accessed the site. I think following Senator Mackay’s personal explanation, he has an obligation to come down to the chamber and correct the record if that is the case. If it was he personally who accessed the site, he should come down and explain that he clicked on the part of the site which connected him back to his own department’s site and that he was actually quoting from his own department’s site and not Senator Mackay’s web site. If it was someone else who did it, perhaps he could come down and correct that part of the record.

Whilst looking at web sites, my staff had a look at the Department of Transport and Regional Services site, the minister’s department’s site. Just as a matter of curiosity, we decided to search the site for the word ‘silly’. It came up five times, three times in the minister’s speeches. One of the speeches was given to the Australian Sister Cities Conference, and I want to quote the minister because I think he is worth quoting. At the end of his speech he said:

And perhaps if you could on my behalf auction a dinner if there is anyone silly enough wanting to have a meal with a politician in Canberra—and there may not be many.

I took that to mean that he was offering to take someone who was at that conference out to dinner—if there was anyone there silly enough to take him up on that option. It was a very brave statement and a very frank statement by Minister Macdonald. In that case, I entirely concur with his sentiments.

Question resolved in the affirmative.

CHALMERS, MR ROB

The PRESIDENT (6.20 p.m.)—I wish to make a few remarks about the fact that it was 50 years ago yesterday that Rob Chalmers commenced work in the parliamentary press gallery. It is hard to imagine the changes that have taken place during those 50 years, not just from Old Parliament House to this house but in so many other ways—such as the way the parliament functions, the way we are able to do business and the way we are able to communicate with each other—and he is still working. This is not a speech to say good luck, farewell and enjoy the beach. He is still an active working journalist in the gallery.

There are no senators or members presently who have served anything like that time. A couple of members in the House of
Representatives have served about 26 years. I think five members have been in the parliament for more than 25 years, just half the time that Mr Chalmers has been a journalist in the press gallery. He has served as a president of the gallery. He has been an executive member. He has been a very active member. He has given his time and talents to assisting young people. His newsletter is certainly well known, and he is well known in Canberra and amongst those who work here.

Yesterday, I understand, there was a lunch given by some of his colleagues. I certainly was not invited; I am sure it was kept strictly to journalists. Many of us would have liked to be a fly on the wall, so to speak, to have heard what was said there. As far as I can tell, there have not been any leaks at all from that luncheon! There may be later in the week, but at this stage I have not heard of anything that was disclosed at that luncheon. I am sure we would all like to hear them, and we await with great interest. I think all senators would want to say well done and commend Mr Chalmers on an extraordinary career and wish him well for his future years in the press gallery.

Honourable senators—Hear, hear!

COMMITTEES
Consideration

The following order of the day relating to committee reports and government responses was 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 O’Brien in continuation.

DOCUMENTS
Consideration

The following order of the day relating to reports of the Auditor-General was considered:

Auditor-General—Audit report no. 21 of 2000-01—Performance audit—Management of the National Highways System Program: Department of Transport and Regional Services. Motion of Senator O’Brien to take note of document agreed to.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator McKiernan)—Order! Consideration of government documents having concluded, I propose the question:

That the Senate do now adjourn.

Former President Ronald Reagan

Senator MASON (Queensland) (6.23 p.m.)—A few weeks ago, without much pomp or ceremony and with only passing media attention, we witnessed the 90th birthday of a remarkable political figure whose momentous impact on the history of the 20th century is much understated and little understood. Yet, in both his public career and with the political legacy he left us, this extraordinary man confounded his numerous critics and exceeded the expectations of even his most admiring supporters. On 6 February 1911, a boy was born in the small town of Tampico, Illinois, in the United States of America. Over the course of his life, which spanned almost the whole of a turbulent century, he witnessed his country rescuing liberal democracies from peril in two hot world wars and one cold war; he saw terrible empires rise and then fall; he saw the America he cherished so dearly become a world power, an economic powerhouse and the leader of the Free World. In many of these events, he—Ronald Reagan—would come to play a prominent, even a decisive, role.

A few weeks ago he became only the third American President, along with Herbert Hoover and John Quincy Adams, to reach his 10th decade. But both in his stature and impact—on not just his own country but also the world in which he lived—he is assured of a much greater place in history books and in our collective memory. As the American journalist Andrew Sullivan wrote recently:

Reagan is still, in my view, the architect of our modern world. Reagan stood for two simple but indisputably big things: the expansion of freedom at home and the extinction of tyranny abroad. He achieved both.

For the modern world to be created, however, the old one had to be destroyed, and in that Reagan showed himself to be as pur-
poseful a destroyer as he also was a visionary builder. Reagan became the President of the United States and the leader of the Free World at a time of unprecedented uncertainty and stagnation, with an economic and, some might say, even a spiritual and moral crisis eating at the soul of Western liberal democracies. With the Soviet Union and its communist allies on the march around the world, the future looked bleak for the cause of freedom and democracy. At the same time, with persistent unemployment, inflation and the energy crisis gripping the Western world, the economic foundations of its prosperity and security were beginning to crumble. Yet for most of us, this old world born out of the ashes of two world wars and the whirlwind of a revolution still seemed in 1980 as stable and permanent as ever. Ronald Reagan knew better. But for that vision he was mercilessly ridiculed and his strongly held beliefs deemed ignorant, unrealistic or simply plain dangerous. When he described the Soviet Union as the ‘Evil Empire’ and when he proclaimed in 1982, against the tide of learned opinion, that ‘the march of freedom and democracy will leave Marxism-Leninism on the ash heap of history’, his opinion was condemned as inflammatory and simplistic, apparently lacking the sophistication and cosmopolitan élan of the tenure seekers. When he argued that the ‘government is not the solution, it is the problem’, he was dismissed as an economic ignoramus, even though by the late 1970s it was becoming quite apparent that the postwar Keynesian settlement had well and truly run its course and had nothing more to deliver. And when he sought to build the Strategic Defence Initiative, often called Star Wars, to provide security for democracies, he was denounced as a warmonger, even though it is now commonly acknowledged that this policy, more than any other, strained the Soviet economy to breaking point and brought to an end the Cold War.

If all his critics in academia, the media and politics had little time for Reagan, he had even less time for them. As he recalled:

I was a Democrat once myself, and for a long time, a large part of my life. But in those days, its leaders didn’t belong to the ‘blame America first’ crowd. Its leaders were men like Harry Truman, who understood the challenges of our times. They didn’t reserve all their indignation for America. They knew the difference between freedom and tyranny and they stood for one and damned the other.

I recall with sadness that so many of my teachers and my lecturers in the 1970s and 1980s said that the United States and the Soviet Union were ‘as bad as each other’ and that communism was no less legitimate than liberal democracy—it was just different. This was the myth that animated the Left in the 1960s and 1970s and that Reagan exploded in the 1980s. Yet he was never bitter and never descended into the gutter to face his ideological opponents. The unshakeable belief that history would vindicate him and prove his critics wrong gave Reagan the inner calm and composure that sustained him throughout his long political life. As he said himself:

History must ... say that our victory ... was not so much a victory of politics as it was a victory of ideas, not so much a victory for any one man or party as it was a victory for a set of principles.

Around the world many nations owe him gratitude for helping to turn the tide against tyranny and oppression. Standing at the helm of the United States for those eight fateful years, Ronald Reagan has done more for the cause of freedom, democracy and human rights than all the international organisations producing their never ending stream of conventions, treaties and pious resolutions. The fact that the Iron Curtain has quite literally been torn down by the citizens of Berlin, the fact that the sweet song of freedom can now be heard, often for the first time in history, in many parts of Europe, South America, Africa and Asia, and the fact that a greater proportion of the world’s population than ever before now lives under the democratic system of government all owe much to the powerful influence of this one man.

But in all that he did he was never alone. Ronald Reagan was always fortunate to have been ably supported by a generation of political leaders who to a large degree shared his commitment to extending freedom abroad and reforming the economy at home. Margaret Thatcher in Great Britain has been perhaps his greatest ally, but even Labor leaders in Australia and New Zealand have
Indeed, no statesman has bestowed upon democracies a more lasting legacy.

**Basslink: Transmission Lines**

Senator **SHERRY** (Tasmania) (6.32 p.m.)—I seek leave to incorporate part of my speech, and also two maps of the electricity supply systems in Victoria and Tasmania. They are factual backgrounds. They do not contain any criticism of any individuals.

Leave granted.

_The documents read as follows—_
Tasmanian supply system map

Basslink (300kV, DC)

Launceston

HOBART

Resident population
0.470 million
Installed capacity MW
2,534
Consumption GWh (main grid only)
9,225

Legend
- Power stations
- Coal
- Coal proposed
- Hydroelectric
- Hydroelectric proposed
- Gas
- Gas proposed
- Gas fired
- Solar
- Solar proposed
- Transmission network
- 500,000 volts
- 330,000 volts
- 275,000 volts
- 220,000 volts
- 132,000 volts
- 110,000 volts
- 88,000 volts
- 66,000 volts
- Substations/Terminals
- 220,000 volts and above
- 132,000 volts and above
- 220,000 volts and above
- Terminals
- Towns with local generation
- Australian Capital Territory
- Areas served by distribution lines
- Electricity is generally available in these areas
- ABC Regional distributor
- Distributor's boundary
- Note: Map is diagrammatic only
Victorian supply system map

Resident population: 4.712 million
Installed capacity MW: 8,134
Consumption GWh (main grid only): 36,314
BASSLINK PROPOSAL

What is Basslink?
Basslink is the proposed undersea power cable across Bass Strait and the new overhead power lines that will link Tasmania’s electricity grid with the national grid.

The rationale is that it will allow the trade in electricity between Tasmania and the new National Electricity Market (NEM) the national market in electricity that allows energy companies to trade across state borders. Victoria and the other states that are part of the NEM will be able to export electricity to Tasmania conversely it will also allow the export of renewable hydro electricity from Tasmania into the NEM.

The flow of electricity between Tasmania and the mainland is likely to occur in either direction during parts of the day. It is expected that at the period of the day of peak demand, for example in the morning before people go to work and when they come home in the evening, Tasmania will export power. This is because Tasmania’s system is hydro-electric and is able to operate to meet peak electricity demand more effectively (by varying the flow of water to turbines) than the predominant thermal based generators on the mainland (because coal power boilers supplying steam to turbines cannot be turned up or down).

The publicly owned Hydro Tasmania will receive a higher return for its assets. The shareholders – the people of Tasmania – benefit.

On the other hand, it is expected that the mainland power suppliers will use Basslink to supply Tasmania during the times of the day when demand and prices for electricity are lower.

An even more critical problem faces Tasmania.

The recent average demand of above 1100 MW approximates the long term energy capacity of the Hydro system of 1105 MW. Consequently there is no scope within the hydro system to substantially increase supply to existing customers or to meet the power needs of any new industries. The limitation of the hydro system is a major constraint on new investment and increased economic activity in the State.

The recent drought in Tasmania through 1999-2000 is a sharp reminder of the vulnerability of the Tasmanian system. Lower than expected inflows have reduced the available outflows. When catchment inflows are high the surplus energy can be exported.

Conversely when drought conditions threaten the hydro system’s ability to maintain supply to the existing market Basslink will replace expensive oil fired Bell Bay in its system support role.

Tasmania has significant wind energy potential. Hydro Tasmania has lodged a development application for a 130 MW wind farm in Tasmania’s North West with the possibility of substantial local manufacturing and participation in developing wind technology. The developments depends on access to the national electricity market via Basslink.

Natural gas is also to be piped by Duke Energy from Longford (Victoria) to Tasmania. That would enable gas fired electricity to be generated.

The Basslink interconnector would create market flexibility and increase opportunities. In addition the link will provide Tasmania’s second fibre-optic telecommunications cable.

Basslink is critical to Tasmania’s energy future.
Without additional energy supply there can be little or no economic development.
Without energy Tasmania will slowly but surely wither, with declining employment opportunities.

The hurt of a capped energy supply has been well illustrated by recent events in California. Whilst for different reasons, the effective cap in this U.S. State has resulted in industry closure and relocation, constant blackouts to business and domestic customers and gravely harmed the State’s reputation for delivering a basic necessity service for both industry and the community survival.

Hydro Tasmania is also publicly owned – at least for as long as a State Labor Government exists in Tasmania. The shareholders are the people of Tasmania.

Hydro power and the proposed wind generation are green and renewable.

Basslink is not without controversy.

The latest preferred route chosen will combine overhead transmission lines and underground cabling. From the coast underground cable will extend inland nearly 7 kilometres. The proposed design from the transition station Loy Yang is by overhead line, generally taking advantage of the screening effect of roadside vegetation and forest.

The proposed design is neither the least cost solution nor the shortest.

Basslink environmental concerns are being dealt with as part of a vigorous comprehensive and transport impact assessment process in accordance with the Combined Assessment and Approvals Process. A process that the current Liberal/National Party Government has signed up to.

The guidelines require an examination of the impact in relation to:
• visual amenity
• flora and fauna

Thursday, 8 March 2001

SENATE

22895
Senator SHERRY—Further to the environmental assessment process for the evaluation of Basslink, particularly the land link when the cable enters Victoria at the coast and travels to Loy Yang, environmental concerns centre on the building of transmission towers through Gippsland to link with the Victorian transmission system at Loy Yang. As a consequence of the environmental impact, the latest proposed adjusted route has added 17 kilometres to the route on land, nearly three kilometres under sea and four kilometres underground. The adjusted cost is $30 million. Importantly, the number of land-holders affected by the longer land route has been reduced from well over 100 to 25 on the new route. The number of houses within one kilometre of the infrastructure has been reduced from 112 to 15. Nevertheless, the Basslink project continues to be opposed by some groups in East Gippsland who object to any of the Victorian land project utilising overhead transmission lines. Fully undergrounding would represent additional capital expenditure of approximately $130 million, enough to make the project economically unviable. Interestingly, there is no such demand for underground cabling at the Tasmanian end.

I recently obtained a copy of maps of high voltage electricity transmission lines from the Electricity Supply Association of Australia which indicate Victoria and Tasmania have 12,500 kilometres and 3,400 kilometres of high voltage transmission lines, respectively. High voltage transmission lines criss-cross the two states, including areas of high population density—indeed, through many suburbs of cities and towns. It costs approximately $1 million per kilometre to put transmission lines underground. If such cables were all put underground throughout Victoria and Tasmania, it would cost the taxpayers of Tasmania over $3.5 billion and of Victoria $13 billion. International comparisons indicate that only a tiny percentage of cables are laid underground. In the top 10 countries where cables are laid underground, the principal country is the United Kingdom with only 4.2 per cent or 553 kilometres laid underground. Japan is second, with 3.4 per cent or 873 kilometres. In a comparable country such as Canada, it is only 0.3 per cent or 250 kilometres. The United States is not even on the chart.

The attitude of Tasmanian Greens Senator Bob Brown is well known. He opposes Basslink on any ground he can possibly find, because he wants Tasmania isolated with no further economic development and a reduced population. His grand dream is for the island of Tasmania to be one big national park and reserve—as if the 40 per cent currently set aside is not enough. His deliberate policy is no economic development. More surprising is the attitude of the National Party member for Gippsland, the Minister for the Arts and the Centenary of Federation, Mr McGauran. Mr McGauran has stated publicly and emphatically that Basslink overhead cables will not be built. It is interesting to note this is in direct contradiction of the environmental impact assessment process, which I have outlined earlier, and to which his own Liberal-National Party government has signed up. Has he signed up the Prime Minister, Mr Howard, and the Treasurer, Mr Costello, to a $130 million compensation package for Tasmania? If he has not, why should a Victorian National Party member threaten the future economic development of Tasmania? Presumably he is not motivated by any green environmental principle. His principle is political survival even at Tasmania’s expense.

The Prime Minister has indicated Tasmanian dam compensation moneys should be used to offset the additional costs. As the Labor Premier of Tasmania, Jim Bacon, has rightly indicated, Tasmanian dam compensation money should be spent in Tasmania, not elsewhere. Perhaps Mr McGauran has taken his eye off the policy ball, distracted by the spinning wheels of poker machines. Like the hypocritical position he has taken by condemning gambling while owning a poker machine licence or criticising bank fees and charges while owning thousands of dollars of
bank shares—and presumably profiting from them—he is a lion in his electorate on Basslink but a purring pussy cat in Canberra when presenting a realistic policy approach to resolving the Gippsland residents’ concerns.

It is not that I speak without some concerns for the residents of Gippsland. What is a possible solution? A possible solution lies in the resolution of the 220-kilovolt overhead transmission line from Brunswick to Richmond in inner Melbourne. After a powerline review panel assessment, the cable was placed underground and commissioned in 1992. The additional cost of upgrading was borne by electricity consumers generally. Such controversies over the placement of cables will inevitably occur throughout Australia and, in my assessment, probably increasingly so. They should be resolved by the cost being spread across the entire Australian community through the national electricity grid, subject to an agreed process of environmental and community impact assessment. No local community, be it Gippsland or my home state of Tasmania, should be required to bear the costs alone.

Welfare Reform: Mission Australia

Senator WOODLEY (Queensland) (6.39 p.m.)—There are major changes taking place in the delivery of welfare services in Australia which deserve a much wider public debate than they are getting. Although anyone interested in welfare reform will have heard of the McClure report and probably have read it, the public debate around the report needs greater exposure. Today I want to address the issue of changes taking place in one subset of the welfare sector, and that is the church charity sector. I will do this by raising some issues that have been brought to my attention. It is interesting that these issues have been raised in the context of Patrick McClure’s own charity, Mission Australia.

I have raised the issues I detail here with Mission Australia and thank the mission for its detailed written reply to my questions. I also met with Mr McClure and had a very useful conversation and cordial exchange of views with him. I thank him for giving up his time to have that conversation. The issues raised in these conversations are not peculiar to Mission Australia. They are pertinent to my own Uniting Church and to other churches and charities as well.

I became aware of a disturbing situation, which came to my attention through a former Brisbane City Mission employee, Mr Graham Goss. Mr Goss approached me as the Democrats spokesperson for family and community services and as a senator for Queensland. I received subsequent briefings from his lawyer, Susan Moriarty, and was informed about his situation. He and his solicitor told me that until the middle of last year Mr Goss was employed as the supervisor of the Brisbane City Mission coffee shop and drop-in centre. Free meals and counseling were provided at the centre. I have been provided by Mr Goss and his solicitor with a portfolio of documents regarding the restructuring of the Brisbane City Mission that has taken place. The documents have been prepared to support Mr Goss’s unfair dismissal case, which commenced hearings in the Queensland Industrial Commission on Tuesday, 27 February and I believe continued until yesterday.

In summary, the information I received relates to four long serving staff of the Brisbane City Mission being made redundant as part of the restructuring by Mission Australia. While the Democrats support modernisation and efficiency in any organisation, we are concerned at the allegations raised by Mr Goss and we have sought a response from Mission Australia on the following points: Mr Goss’s allegation that his position was restructured in such a way that precluded him from winning his job back; his allegation that his position was publicly advertised without informing him; his claim that he was not offered any opportunity to seek alternative employment with Mission Australia and was not given vacancy lists, despite several requests; and his claim that he was not offered retraining or any employment adjustment assistance by Mission Australia. It is suggested in the documents provided to me that some of Mr Goss’s colleagues—including former Brisbane City Mission CEO, Hervey Bernoth—were also made redundant, allegedly because they did not fit in with the...
new regime and corporate identity of Mission Australia.

I raise this in the Senate today because it appears on the face of things that there is a possibility that, in the case of several former staff of the Brisbane City Mission, Mission Australia have behaved towards their own mature age workers in a manner at odds with their stated principles. However, Mission Australia have denied this, and I will deal with their answer in this speech. I am concerned at the impression that Mr Goss and his colleagues may have been treated in a fashion that is bereft of the charity, dignity or empowerment principles espoused by Mission Australia. Is there not an obligation upon an employer, particularly a charitable organisation, to treat its long serving employees with dignity and respect?

I also have a wider concern relating to the big picture effects of restructuring undergone by Mission Australia, aside from the personal cases of dismissal. The Democrats believe that the new world of charities and welfare under the federal government does deserve scrutiny. I understand that the free meals service formerly run by the Brisbane City Mission has been shut down. It is common knowledge that the City Missions provide free meals in many cities in Australia to the really down and outs of Australian society. I am aware that the cafe in Fortitude Valley has been moved to a different, more up-market location; the staff have been changed—including Mr Goss; the cafe has been upgraded; and free meals are no longer available. I am sure Mission Australia has reasons for these changes but I would like to know if free meal venues in City Mission venues in other states have been closed.

My problem is that perhaps it is a sign of the times that there seem to be very few places in the brave new world of efficiency and restructuring where someone down on their luck can get a free meal and a kind shoulder to lean on. I note that Mission Australia refers to itself as ‘one of the top 500 corporations in Australia’ in its strategic plan. It is important that Mission Australia make this clear to the former supporters of the Brisbane City Mission. My worry is that the former Brisbane City Mission’s reputation for helping the poorest of the poor may have changed.

Let me turn now to the formal response from Mission Australia. I am very pleased that they were willing to do this. I will summarise that response but seek leave to table the response in its entirety to be absolutely fair to Mission Australia. This is what they said in response to me:

- Mr Goss’s position was split into two new positions one of which he applied unsuccessfully for and the other he decided not to apply for;
- Mr Goss was offered Job Search support through Mission Employment but declined;
- no other positions were available at Mission Australia for Mr Goss;
- Mr Goss was treated fairly and compassionately at all times;
- services for disadvantaged people in Queensland have been upgraded to better meet the needs of disadvantaged people since Brisbane City Mission joined Mission Australia;
- there was substantial investment in the relocation and upgrading of the Community Cafe at Fortitude Valley, which still serves meals at well below commercial rates ...
- Mission Australia acknowledges that 4 of the original Brisbane City Mission staff were retrenched and says that 11 of the original 19 staff remain with Mission Australia in Queensland;
- Mission Australia maintains that it is a strong advocate on behalf of mature aged workers and that over half its workforce are aged over 40 years old;
- Mission Australia is a registered charitable organisation and public benevolent institution, and any surpluses it derives are used simply to fund current programs or community services for disadvantaged people;
- regarding the merger of Brisbane City Mission and other city Missions, the response is that it is most appropriate and ethical for Brisbane City Mission’s logo to be displayed on Mission Australia’s letterhead.

The issue which this situation raises and which should be part of the public debate about welfare is that, under the current fed-
eral government, the corporatisation of charities and welfare has continued to gather momentum, especially under the competitive tendering regime. We need to ask: is this a good or a bad thing? As this process continues, the question for charities is: at what point do charities so change their ethos that they lose their character and become mere commercial operations? This is not an academic question, as it goes to the heart of the question about what or who is a charity. Another question is to do with the user-pays system. In this system, what happens to those who cannot pay at all? This is not a question that churches can avoid, given many of the parables in the gospel. I particularly draw attention to Matthew 25: 31-46 and one verse which sums up that parable:

Whenever you failed to help any of my people, no matter how unimportant they seemed, you failed to help me.

I trust that the public debate over the issue of welfare reform and the role of charities and churches in the delivery of welfare services will continue in Australia. I seek leave to table the letter that I mentioned.

Leave granted.

Aboriginals: Health

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (6.48 p.m.)—I wish to take the opportunity tonight in the Senate adjournment debate to highlight issues of environmental health in Aboriginal communities and to talk about the very important aspects of traditional Aboriginal medicine. In the Northern Territory, both of these issues are brought to the forefront from time to time, and this week there has certainly been some concentration on the issue of health standards and the need for special vigilance in Aboriginal communities.

I have spoken about the need for more people in more Aboriginal communities to take greater responsibility for their environmental health so that the federal government’s work in improving health outcomes for Aboriginal Australians can have a more positive effect. There is no point implementing programs to help people become and stay healthy when their own homes are not healthy places. This has all come about from reports—in the media, in the Senate and in the House of Representatives—about the incidence of TB in the Aboriginal community of Maningrida in Arnhem Land in the Northern Territory.

First, may I say that any incidence of tuberculosis, which has been all but wiped out amongst the white population of Australia, is unacceptable. But, unfortunately, the Labor Party has taken the opportunity to exaggerate the statistics on this issue, important though they are. The fact is that the level of TB in the Maningrida community—whilst unacceptable, and I recognise that—has remained relatively stable over the past 10 years. The Commonwealth Department of Health and Aged Care, responsible for monitoring TB levels in Australia, has shown that in 1999 there were no instances of TB in the Maningrida community. However, in the year 2000 there were 12 cases. The inclusion of statistics from East Timor may have had some impact on this. I am informed that this year there are five active cases. Most of these are approaching the end of their treatment and are non-infectious.

For its part in dealing with TB problems, the Commonwealth already provides substantial assistance to the community at Maningrida, which, with an estimated population of 2,500 people from the Liverpool River district in Arnhem Land, is one of the largest communities of any sort in the Northern Territory. Through the Office of Aboriginal and Torres Strait Islander Health Services, it has committed $250,000 per annum to Territory Health Services to fund the Maningrida Health Board, utilising the facilities of the Bawinanga Aboriginal Corporation. The aim is to help the community develop a greater level of control over the management and delivery of health services. The funding has been provided to gradually transfer the responsibility for managing the health services to the community itself through a local health board. But progress towards this goal at Maningrida has been slow, and the Commonwealth is currently discussing this issue with Territory Health Services, a division of the Northern Territory government.
There has been talk in the Senate of a dedicated TB nursing position lost from Maningrida—it was raised in question time today of Senator Hill. The Office of Aboriginal and Torres Strait Islander Health has offered the Territory Health Services the opportunity to use unexpended funds from the Health Board grant to continue the TB nurse position. In the short term, the Territory Health Services decided to adopt alternative means in looking at the issue with regard to nursing in that community, while at the same time accepting that increased visiting of health professionals and the utilisation of other professional staff is very important. Territory Health Services is also dealing with the clinical and public health aspects as a long-term work health care program and is to follow up with X-rays and other testing. Ultimately, this is an issue of longer term financial management that has to be resolved by the Territory Health Services.

The Commonwealth continues to make a significant contribution. While I am aware that the Maningrida community is concerned about the management of communicable diseases such as TB, which is still a significant health issue in the community, I again call on the other partners in the management of health services in Maningrida to play a greater role. At least in the local community, the community government council is facing the reality of the situation.

When asked whether my statements were ‘laying it on the line and telling the truth, because it is not all that clean out there at Maningrida,’ the federal ALP member Warren Snowdon told Col Newman on 8Top FM radio in Darwin, ‘No, it is quite clean.’ I would exhort Mr Snowdon to stop and take a look at the community when he is next there, to take off his rose-coloured glasses—because that is what he needs to do—and to realise that many communities like this one need to do a bit of cleaning up. There are many other good examples of Aboriginal communities, and I can name them. Just off the top of my head, Daly River and Apatula stand out as fine examples. Do not think for one minute that I am denigrating the residents in those communities who understand the importance of hygiene around the home and who have made an effort to keep things clean—I am not. Nor am I criticising the health workers, the health professionals and the teachers who undertake the difficult task of providing health and other community and education services in these places. These people in fact deserve the highest praise for their dedication, and I salute them.

I have had support from almost everyone who has commented on this issue—except, of course, from the Labor Party, whose Northern Territory member continues to advocate a ‘head in the sand’ approach to the problems faced by Aboriginal Territorians. I invite Mr Snowdon to have a look at the history and examine the comparison between the 13 years of Labor administration and what has been achieved in the last five years. Other commentators on this issue have agreed that a holistic approach to health care, the use of a combination of best Western medicine and traditional Aboriginal bush medicine—I will speak of that in a moment—and a concerted effort by governments, community organisations and individuals will achieve more to improve Aboriginal health outcomes.

Consider some of the achievements already on the books by the coalition government in the area of Aboriginal health. Since 1996, 38 new sites have been approved for additional primary health care under the remote communities initiative—all in areas which previously had little or no access to primary health care. In the Northern Territory alone, 13 communities were approved for funding under this initiative to improve health services for indigenous people. The coordinated care trials in Katherine West and on the Tiwi Islands have proved an outstanding success in the treatment of chronic disease. An amount of $1 million has recently been committed for pilot programs to address the problem of petrol sniffing in the Top End of the Northern Territory. Improved living conditions and infrastructure have contributed to the reduction in cancer, infection and chronic illness such as rheumatic heart disease that are so prevalent in so many Aboriginal communities.

I point out that we need this synergetic approach to ensure that we maintain a focus
at all levels of government. But at the same time I would like to draw attention to the important approach in Aboriginal health care that recognises the physical and spiritual dimensions of life in Aboriginal communities. Traditional medicine is a part of Aboriginal culture. I would like to acknowledge the work of Dr Dayalan Devanesen, whose research into the unique qualities of Aboriginal bush medicines has underpinned many practical improvements in health care delivery in the Northern Territory. Shortly, at the end of my speech, I will table a copy of a recent speech by Dr Devanesen in Japan on the issue of traditional Aboriginal medicine practice in the Northern Territory. Let me provide three important quotes. The first is from the introduction, where Dr Devanesen says:

The Aboriginal approach to health care is a holistic one. It recognises the social, physical and spiritual dimensions of health and life. Their concept of health in many ways is closer than that of Western medicine to the WHO definition of health, ‘a state of complete physical, mental and social wellbeing and not merely the absence of disease and infirmity’.

This is a very important report and it covers many systems. I draw it to the attention of senators, the media and other interested parties. In the conclusion, Dr Devanesen makes two important statements. First, he states:

The current health status of Aboriginal people is characterised by unacceptable levels of morbidity and mortality... Western medicine has not solved many of the health problems.

Further on he goes on to say:

Traditional medicine is part of Aboriginal culture. Its recognition can bolster the self confidence of Aboriginal people and improve the delivery of health services to Aboriginal communities.

I would certainly commend this report to the Senate and I seek leave to table a copy of Dr Devanesen’s speech.

Leave granted.

Senate adjourned at 6.58 p.m.

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

Remuneration Tribunal Act—Determination 2001/01: Remuneration, Allowances and Other Related Matters of the Chief Executive of the Commonwealth Scientific and Industrial Research Organisation.

Indexed Lists of Files

The following documents were tabled pursuant to the order of the Senate of 30 May 1996 as amended 3 December 1998:

Indexed lists of departmental and agency files for the period 1 July to 31 December 2000—Statements of compliance—

Department of Employment, Workplace Relations and Small Business.
Department of Immigration and Multicultural Affairs.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Department of Transport and Regional Services Portfolio: Motor Vehicle Fuel Expenditure

(Question No. 3082)

Senator Cook asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 9 October 2000:

(1) For the financial year ended 30 June 2000, what was the total of monies expended by the department and each of its agencies on fuel purchased for motor vehicles which the department and its agencies are responsible for maintaining (please provide a breakdown by each month of the financial year)

(2) What has been the total amount of monies expended to date for the 2000-01 financial year on fuel for motor vehicles which the department and its agencies are responsible for maintaining (please provide breakdown for each month up to and including September 2000)

(3) Has the department and its agencies budgeted for fuel bills; if so: (a) what is the budget for the current financial year; and (b) how much has been spent to date.

(4) How does this years fuel expenditure budget compare to last years fuel expenditure budget for the department and each of its agencies.

(5) How did the last financial years fuel expenditure budget compare to the actual outcome for the financial year for the department and each of its agencies.

(6) (a) What is this financial years fuel expenditure budget for both the department and each of its agencies and (b) how much has been spent to date.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

Financial Year 1999/2000 – Civil Aviation Safety Authority Australia (CASA)

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<td>$18,897</td>
</tr>
<tr>
<td>March 2000</td>
<td>$20,143</td>
</tr>
<tr>
<td>April 2000</td>
<td>$19,223</td>
</tr>
</tbody>
</table>
## Financial Year 1999/2000 – National Capital Authority (NCA)

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1999</td>
<td>$277.56</td>
</tr>
<tr>
<td>August 1999</td>
<td>$366.31</td>
</tr>
<tr>
<td>September 1999</td>
<td>$539.46</td>
</tr>
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<td>October 1999</td>
<td>$417.65</td>
</tr>
<tr>
<td>November 1999</td>
<td>$364.87</td>
</tr>
<tr>
<td>December 1999</td>
<td>$250.61</td>
</tr>
<tr>
<td>January 2000</td>
<td>$724.76</td>
</tr>
<tr>
<td>February 2000</td>
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<tr>
<td>March 2000</td>
<td>$149.88</td>
</tr>
<tr>
<td>April 2000</td>
<td>$1,020.67</td>
</tr>
<tr>
<td>May 2000</td>
<td>$943.06</td>
</tr>
<tr>
<td>June 2000</td>
<td>$993.11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$6,615.62</strong></td>
</tr>
</tbody>
</table>

## Financial Year 1999/2000 – Department of Transport and Regional Services (DoTRS)

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1999</td>
<td>$3,666.66</td>
</tr>
<tr>
<td>August 1999</td>
<td>$3,236.66</td>
</tr>
<tr>
<td>September 1999</td>
<td>$3,649.42</td>
</tr>
<tr>
<td>October 1999</td>
<td>$4,154.16</td>
</tr>
<tr>
<td>November 1999</td>
<td>$2,305.18</td>
</tr>
<tr>
<td>December 1999</td>
<td>$2,905.91</td>
</tr>
<tr>
<td>January 2000</td>
<td>$2,408.29</td>
</tr>
<tr>
<td>February 2000</td>
<td>$5,813.31</td>
</tr>
<tr>
<td>March 2000</td>
<td>$3,605.65</td>
</tr>
<tr>
<td>April 2000</td>
<td>$2,151.13</td>
</tr>
<tr>
<td>May 2000</td>
<td>$5,800.83</td>
</tr>
<tr>
<td>June 2000</td>
<td>$4,670.87</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$116,953.84</strong></td>
</tr>
</tbody>
</table>

## Financial Year 1999/2000 – Airservices Australia

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1999</td>
<td>$265,929</td>
</tr>
<tr>
<td>August 1999</td>
<td>$219,339</td>
</tr>
<tr>
<td>September 1999</td>
<td>$319,050</td>
</tr>
<tr>
<td>October 1999</td>
<td>$291,899</td>
</tr>
<tr>
<td>November 1999</td>
<td>$233,940</td>
</tr>
<tr>
<td>December 1999</td>
<td>$343,850</td>
</tr>
<tr>
<td>January 2000</td>
<td>$85,721</td>
</tr>
<tr>
<td>February 2000</td>
<td>$554,326</td>
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<tr>
<td>March 2000</td>
<td>$365,232</td>
</tr>
<tr>
<td>April 2000</td>
<td>$330,756</td>
</tr>
<tr>
<td>May 2000</td>
<td>$314,604</td>
</tr>
<tr>
<td>June 2000</td>
<td>$313,196</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$3,637,842.00</strong></td>
</tr>
</tbody>
</table>

(2)

## Financial Year 2000/2001 - CASA

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2000</td>
<td>$35,234.55</td>
</tr>
<tr>
<td>August 2000</td>
<td>$32,666.53</td>
</tr>
<tr>
<td>September 2000</td>
<td>$33,879.05</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$101,780.13</strong></td>
</tr>
</tbody>
</table>
Financial Year 2000/2001 – AMSA

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2000</td>
<td>$18,694</td>
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<tr>
<td>August 2000</td>
<td>$19,388</td>
</tr>
<tr>
<td>September 2000</td>
<td>$23,171</td>
</tr>
<tr>
<td>Total</td>
<td>$61,253.00</td>
</tr>
</tbody>
</table>

Financial Year 2000/2001 - NCA

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2000</td>
<td>$300.19</td>
</tr>
<tr>
<td>August 2000</td>
<td>$1,577.18</td>
</tr>
<tr>
<td>September 2000</td>
<td>$1,438.26</td>
</tr>
<tr>
<td>Total</td>
<td>$3,315.63</td>
</tr>
</tbody>
</table>

Financial Year 2000/2001 – DoTRS

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2000</td>
<td>$4,897.49</td>
</tr>
<tr>
<td>August 2000</td>
<td>$1,230.42</td>
</tr>
<tr>
<td>September 2000</td>
<td>$5,807.67</td>
</tr>
<tr>
<td>Total</td>
<td>$31,566.43</td>
</tr>
</tbody>
</table>

Financial Year 2000/2001 – Airservices Australia

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2000</td>
<td>$287,943</td>
</tr>
<tr>
<td>August 2000</td>
<td>$291,995</td>
</tr>
<tr>
<td>September 2000</td>
<td>$296,886</td>
</tr>
<tr>
<td>Total</td>
<td>$876,824.00</td>
</tr>
</tbody>
</table>

(3)

CASA
(a) CASA does not budget for motor vehicle fuel as an individual expense item.
(b) For 1999/2000 - $424,183.29, 2000/2001 (to date)- $101,780.13

AMSA
AMSA includes provision for the total cost of vehicles in its budget of which fuel would be one component but it is not distinguished as a separate entry.

NCA
(a) The Authority has budgeted $8,000.00 for the 2000/01 financial year.
(b) The Authority has spent $3,315.63 of the current budget to date.

DoTRS
DoTRS does not budget for motor vehicle fuel costs as an individual expense item. It falls under the umbrella of running costs in the supplier expense budget.

Airservices Australia
Airservices does not budget for motor vehicle fuel as an individual expense item. The majority of the fuel expense relates to contract manager’s vehicles and is fully recovered from salary packages. The budget is based on pre-agreed cents per kilometre running cost and estimated kilometres to be driven in the FBT year, for each vehicle.

(4)

CASA
CASA does not budget for motor vehicle fuel as an individual expense item.

AMSA
AMSA cannot provide a comparison, as it does not maintain a separate budget entry for fuel. The actual total expenditure by AMSA on fuel for motor vehicles for July, August and September 1999 was $54,312 compared to $61,253 for the same period in 2000.

NCA
Last financial year’s fuel costs were not budgeted for separately, as they were included in general vehicle expenses. The budgets of the two financial years requested cannot be compared.
DoTRS
DoTRS does not budget for motor vehicle fuel as an individual expense item.

Airservices Australia
Airservices does not budget for motor vehicle fuel as an individual expense item. The majority of the fuel expense relates to contract manager’s vehicles and is fully recovered from salary packages. The budget is based on pre-agreed cents per kilometre running cost and estimated kilometres to be driven in the FBT year, for each vehicle.

(5)

CASA
CASA does not budget for motor vehicle fuel as an individual expense item.

AMSA
AMSA cannot provide a comparison, as it does not maintain a separate budget entry for fuel.

NCA
NCA cannot provide a comparison, as we did not have a separate budget for fuel last financial year.

DoTRS
DoTRS cannot provide a comparison as it does not budget for motor vehicle fuel as an individual expense item.

Airservices Australia
Airservices does not budget for motor vehicle fuel as an individual expense item. The majority of the fuel expense relates to contract manager’s vehicles and is fully recovered from salary packages. The budget is based on pre-agreed cents per kilometre running cost and estimated kilometres to be driven in the FBT year, for each vehicle.

(6)

CASA
(a) CASA does not budget for motor vehicle fuel as an individual expense item.
(b) For 1999/2000 - $424,183.29, 2000/2001 (to date)- $101,780.13

AMSA
(a) AMSA cannot provide a figure, as it does not maintain a separate budget entry for fuel.
(b) The total expenditure by AMSA on fuel for motor vehicles for the 2000-01 financial year to 30 September 2000 is $61,253

NCA
(a) The Authority has budgeted $8,000.00 for the 2000/01 financial year.
(b) The Authority has spent $3,315.63 of the current budget to date.

DoTRS
DoTRS does not budget for motor vehicle fuel costs as an individual expense item. It falls under the umbrella of running costs in the supplier expense budget.

Airservices Australia
Airservices does not budget for motor vehicle fuel as an individual expense item. The majority of the fuel expense relates to contract manager’s vehicles and is fully recovered from salary packages. The budget is based on pre-agreed cents per kilometre running cost and estimated kilometres to be driven in the FBT year, for each vehicle.

Civil Aviation Safety Authority: Pyne, Mr Tony
(Question No. 3203)

Senator Woodley asked the Minister for Transport and Regional Services, upon notice, on 7 December 2000:

(1) Can the Minister confirm that Mr Tony Pyne is a member of the Board of the Civil Aviation Safety Authority (CASA).
(2) Can the Minister advise if the same Mr Tony Pyne is a solicitor specialising in aviation law, employed by the Minter Ellison legal firm in Melbourne.

(3) Is the Minister aware that Mr Pyne, in his capacity as a member of the CASA Board, advised former Ansett Flight Attendant Judy Cullinane that the air quality problems on BAe 146 aircraft had been fixed.

(4) Can the Minister confirm that Minter Ellison represented Ansett and prepared a confidentiality document (regarding the discovery of evidence process) in court proceedings bought by former Ansett flight attendant Judy Cullinane, heard in the District Court of Perth in August and October 2000.

(5) Can the Minister advise whether Mr Pyne has been involved in any capacity, in Minter Ellison’s representation of Ansett in the case of Cullinane v. Ansett.

(6) Given that subsection 36(2) of the Civil Aviation Act 1988 (Outside employment) requires that ‘A member appointed as a part-time member shall not engage in any paid employment that, in the opinion of the Minister, conflicts with the proper performance of the duties of the member’, can the Minister advise:

(a) whether the Government considers that there is a potential or actual conflict of interest arising from Mr Tony Pyne’s employment as an aviation lawyer with Minter Ellison who is acting for Ansett in the Cullinane case; and (b) whether Mr Pyne has performed any work for Minter Ellison which would comprise an actual conflict of interest with his duties as a CASA Board member.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

The Civil Aviation Safety Authority (CASA) has provided the following advice:

(1) Mr Pyne was a member of the Board of CASA from 24 December 1997 until 31 December 2000.

(2) Yes, Mr Pyne is a solicitor specialising in aviation law employed as a consultant at Minter Ellison.

(3) CASA has advised that in late 1998, a person telephoned Mr Pyne at his office who identified herself as Judy Cullinane, and who wished to discuss BAe 146 cabin air issues. Mr Pyne has advised that is the only contact he has had with the person concerned. In the course of the conversation, Mr Pyne formed the view that the person was seeking information and/or assistance with a forthcoming court case. Mr Pyne did not make the statement alleged in the question posed by Senator Woodley.

(4) In order to respond to this question, Mr Pyne caused enquiries to be made at Minter Ellison including computer record searches and emails to all professional staff. Mr Pyne found no information to suggest that Minter Ellison had undertaken the work described by Senator Woodley. However, the search did reveal that, in February 1998, a partner of Minter Ellison provided a single advice to a client insurer in relation to a claim made by a Judy Cullinane under an accident and sickness protection policy issued by that insurer for benefits for sickness, apparently arising from inhalation of aircraft fumes. Mr Pyne has advised that he had no role in the matter and no knowledge of it until he made the enquiries referred to above.

(5) Mr Pyne has advised that he was not involved in any capacity in the representation of the defendant by any solicitors in the case referred to or in any other cabin air quality litigation.

(6) (a) Given the information provided above, there does not appear to be any potential or actual conflict of interest.

(b) At the time of Mr Pyne’s appointment in December 1997, the then Minister was fully aware that Mr Pyne was a consultant solicitor in aviation law with Minter Ellison. There is nothing to suggest that during Mr Pyne’s appointment on the CASA Board he acted in breach of s36(2) of the Civil Aviation Act 1988. I am advised that Mr Pyne has always disclosed to CASA all matters in which he acted, including potential conflicts of interest for consideration by the Board. This is in accordance with his obligations under the Commonwealth Authorities and Companies Act.

Therefore, there is no evidence of a potential or actual conflict of interest arising with Mr Pyne’s duties as a consultant solicitor at Minter Ellison and as a Member of the CASA Board.
Natural Heritage Trust: Funding  
(Question No. 3250)

Senator Brown asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 19 January 2001:
With reference to the answer to question on notice no 2986, (Senate Hansard, 30 November 2000, p20204):
(a) What is the location (map coordinates on Tasmap’s 1:25 000 series) of the 6 sites proposed for dams by Mr Van den Bosch; and
(b) What environmental assessment has or will be done on the Tomahawk, Boobyalla and Little Boobyalla Rivers.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:
(a) Location information is listed below for the 6 proposed sites

<table>
<thead>
<tr>
<th>Site location</th>
<th>Grid coordinates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boobyalla River</td>
<td>5646 685614</td>
</tr>
<tr>
<td>Tomahawk River</td>
<td>5646 642615</td>
</tr>
<tr>
<td>St Patricks River</td>
<td>5442 442241</td>
</tr>
<tr>
<td>Pipers River</td>
<td>5242 204276</td>
</tr>
<tr>
<td>Elizabeth River</td>
<td>5635 602574</td>
</tr>
<tr>
<td>Brushy Rivulet</td>
<td>4840 826090</td>
</tr>
</tbody>
</table>

(b) The environmental assessment of the Tomahawk, Boobyalla and Little Boobyalla Rivers is a matter for consideration by the Tasmanian Government under its Environmental Management and Pollution Control Act 1994.

Foreign Affairs and Trade Portfolio: Contracts to Arthur Andersen
(Question No. 3327 amended answer)

Senator Robert Ray asked the Minister representing the Minister for Foreign Affairs, upon notice, on 24 January 2001:
(1) What contracts has the department or any agency of the department provided to the firm Arthur Andersen in the 1999-2000 financial year.
(2) In each instance what was the purpose of the work undertaken by Arthur Andersen.
(3) In each instance what has been the cost to the department of the contract.
(4) In each instance what selection process was used to select Arthur Andersen (open tender, short-list or some other process).

Senator Hill—The Minister for Foreign Affairs has provided the following amended answer to the honourable senator’s question:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Purpose of Work Undertaken</th>
<th>Cost to the agency</th>
<th>Selection Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>DFAT</td>
<td>Nil</td>
<td>Nil</td>
<td></td>
</tr>
<tr>
<td>AusAID</td>
<td>Review of corporate functions</td>
<td>115,158</td>
<td>Restricted Tender</td>
</tr>
<tr>
<td>EFIC</td>
<td>Nil</td>
<td>Nil</td>
<td></td>
</tr>
</tbody>
</table>

Department of Foreign Affairs and Trade: Legal Advice from Attorney-General’s Department
(Question No. 3373)

Senator Robert Ray asked the Minister representing the Minister for Foreign Affairs, upon notice, on 29 January 2001:
(1) What has been the total cost to the department in the 1999-2000 financial year of legal advice obtained from the Attorney-General’s Department.
(2) What has been the total cost to the department in the 1999-2000 financial year of legal advice obtained by the department from other sources.
Senator Hill—The answer to the honourable senator’s question is as follows:

(1) The total cost to the department in the 1999-2000 financial year of legal advice obtained from the Attorney-General’s portfolio was $731,276. $25,027 was paid to the Attorney-General’s Department and $706,249 was paid to the Australian Government Solicitor. (The Australian Government Solicitor became a statutory authority on 1 September 1999.)

(2) $549,067.

Aged Care Facility: Olinda Grove, Tasmania
(Question No. 3436)

Senator Brown asked the Minister representing the Minister for Aged Care, upon notice, on 23 February 2001:
(a) what Commonwealth assistance is going toward the proposed aged care facility at Olinda Grove, Mt Nelson, Tasmania; and
(b) to whom will this be paid, when and under what conditions.

Senator VANSTONE—The Minister for Aged Care has provided the following answer to the honourable senator’s question, in accordance with advice provided to her:
(a) No Commonwealth capital funding assistance is being provided toward the proposed aged care home at Olinda Grove, Mt Nelson, Tasmania. The places at this site are not yet operational and therefore no Commonwealth subsidy is paid.
(b) The approved provider will receive Commonwealth recurrent funding only when the places become operational.