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

PETITIONS

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

Woodside Australian Energy: Takeover
To the Honourable the President and Members of the Senate in Parliament assembled:
The petition of the undersigned shows:
That the proposed takeover of Woodside Australian Energy by Shell should be opposed in the interests of protecting Australian jobs and ensuring the nation’s natural resources are retained by Australian interests.
Your petitioners ask that the Senate should:
Pass a resolution calling on the Government to reject the proposed takeover of Woodside Australian Energy by Shell.
by Senator Eggleston (from 419 citizens).

Woodside Australian Energy: Takeover
To the Honourable the President and Members of the Senate in Parliament assembled:
The petition of the undersigned shows:
That the proposed takeover of Woodside Australian Energy by Shell should be opposed in the interests of protecting Australian jobs and ensuring the nation’s natural resources are retained by Australian interests.

by Senator Eggleston (from 267 citizens).

Doctor-patient relationships: Open, honest and accountable
To the Honourable the President and Members of the Senate in Parliament assembled:
The petition of the undersigned shows:
We the undersigned request that the laws be amended to compel all medical practitioners to disclose in writing the following:
• that all patient medical records be available on demand by the patient;
• that medical insurers be compelled to promptly pay claims in cases of surgical injury without recourse to litigation.
Your petitioners request that the Senate should consider the above matter.
What can we hope to achieve with this petition?
• A reduction in the number of patients being injured by surgery. If strong and clear rules are instituted, the result will be less mistakes, less injuries and cost savings to the taxpayer of over a billion dollars per year.
• No more humiliating and costly litigation’s, payments for necessary expenses will be paid as needed.
• The abolition of confidentiality clauses or any other tactics used to intimidate patients or cover up mistakes or negligence, with penalties for doctors that issue false or misleading reports.
• We gain empowerment and self-respect. We will be informed of surgical risks and make informed choices. Not have doctors playing god, deciding what surgery we should or should not risk.
I believe that proper reforms will benefit both patients and medical practitioners by establishing a more open, honest and accountable doctor-patient relationship.
by Senator Chris Evans (from 3,735 citizens).

NOTICES

Presentation

Senator Greig to move, on the next day of sitting:
That the Senate calls on the Government to introduce legislation to ratify the Statute of the International Criminal Court.

Senator Greig to move, on the next day of sitting:
That the Senate—
(a) notes that:
(i) whilst Australia has banned the practice of shark finning in many Australian states, it is still permitted in the Northern Territory, Tasmania, Queensland and South Australia, and (ii) Australia is a world leader in shark management, but despite an interim ban on shark finning in tuna fisheries, there are still a number of shark species targeted for their highly-
valued fin, and at risk in Australia from over-fishing and bycatch; and
(b) calls on the Government to make the ban permanent, and for the Australian federal, state and territory governments to cooperate in the development of a strong national plan of action that will end unsustainable shark fishing and high levels of shark in Australian fisheries.

Senator Brown to move, on the next day of sitting:
That the Senate—
(a) notes:
(i) the comments of the United States (US) Environment Protection Agency chief officer that ‘we have no interest in implementing that [Kyoto Protocol] treaty’, and
(ii) the endorsement of the Australian Minister for Foreign Affairs (Mr Downer) of the US policy on greenhouse gases; and
(b) condemns the US Bush Administration and the Howard Government for their efforts to derail the Kyoto Climate Change Convention.

Senator Tierney to move, on the next day of sitting:
That the Senate—
(a) notes, with concern, the rapid expansion of problem gambling in Australia, with 300,000 people severely affected and up to 1 million family members, friends and workmates affected by this social scourge;
(b) condemns the New South Wales State Government, and other state governments, for exacerbating this disturbing trend by expanding gambling outlets in their states over the past 5 years;
(c) congratulates the Howard Government for heading off the next quantum leap in problem gambling by the courageous decision to bar online gambling in Australia; and
(d) calls on all opposition parties in the Federal Parliament to back this legislation and thereby restrain the rise in the ‘social misery index’ for some of the most vulnerable members of Australian society.

Senator Murphy to move, on the next day of sitting:
That the Economics References Committee be authorised to hold a public meeting during the sitting of the Senate on 3 April 2001, from 4 pm to 6 pm, to take evidence for the committee’s inquiry into mass marketed tax effective schemes and investor protection.

BUSINESS

Government Business

Motion (by Senator Heffernan)—by leave—agreed to:
That government business order of the day no. 4 (Remuneration Tribunal Amendment Bill 2000) be considered from 12.45 p.m. till not later than 2 p.m. today.

General Business

Motion (by Senator Heffernan)—by leave—agreed to:
That the order of general business for consideration today be as follows:
(1) general business notice of motion no. 878 standing in the name of Senator Conroy, relating to the establishment of a banking social charter; and
(2) consideration of government documents.

NOTICES

Postponement

Items of business were postponed as follows:

General business notice of motion no. 875 standing in the name of Senator Bourne for today, relating to the introduction of the ABC Amendment (Online and Multichannelling Services) Bill 2001, postponed till 2 April 2001.

Government business notice of motion no. 1 standing in the name of the Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts (Senator Ian Campbell) for today, relating to the consideration of legislation, postponed till 3 April 2001.

General business notice of motion no. 877 standing in the name of Senator Allison for today, relating to the grey-headed flying fox colony in the Melbourne Botanical Gardens, postponed till 2 April 2001.

General business notice of motion no. 871 standing in the name of the Leader of the Opposition in the Senate (Senator Faulkner) for today, relating to the benchmark
Thursday, 29 March 2001

for pension levels, postponed till 23 May 2001.

LEAVE OF ABSENCE
Motion (by Senator O'Brien)—by leave—agreed to:
That leave of absence be granted to Senator McKernan for the period 29 March 2001 to 5 April 2001 inclusive, on account of absence due to parliamentary business overseas.

BUSINESS
Consideration of Legislation
Motion (by Senator Heffernan) agreed to:
That the provisions of paragraphs (5) to (7) of standing order 111 not apply to the following bills, allowing them to be considered during this period of sittings:
- Excise Tariff Amendment Bill (No. 1) 2001
- Customs Tariff Amendment Bill (No. 2) 2001.

MINING: JABILUKA
Motion (by Senator Allison) agreed to:
That the Senate—
(a) notes the announcement by Rio Tinto in the week beginning 18 March 2001 that it would not support mine owner Energy Resources of Australia's development of Jabiluka in the short term;
(b) advises the Government that it is unacceptable for this major mine site including retention dams, mine construction and associated works to remain in this state for any length of time; and
(c) calls on the Government to commence discussions with Rio Tinto immediately with a view to an early rehabilitation of the site and for it to be handed back to the traditional owners as soon as possible.

COMMITTEES
Select Committee for an Inquiry into the contract for a new reactor at Lucas Heights
Extension of Time
Motion (by Senator Forshaw) agreed to:
That the time for the presentation of the report of the Select Committee for an inquiry into the contract for a new reactor at Lucas Heights be extended to 24 May 2001.

POVERTY: MICROCREDIT PROGRAMS
Motion (by Senator Brown) agreed to:
(a) notes the success of microcredit programs, such as the Grameen Bank of Bangladesh, in alleviating poverty and in particular in addressing those in absolute poverty (those living on less than $US 1 per day); and
(b) calls on the Government to implement its promise to double the 1997 microcredit aid budget to $13 million by the end of this parliamentary term.

GUN CONTROL
Motion (by Senator Brown) agreed to:
That the Senate—
(a) notes the increased prevalence of hand guns in Australia; and
(b) calls on the Government to immediately implement measures to reduce the number and tighten the conditions for ownership of hand guns in Australia.

Senator Brown—Madam President, I just want to note that the government voted no on that motion.

COMMITTEES
Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund
Meeting
Motion (by Senator Calvert, at the request of Senator Ferris) agreed to:
That the Parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund be authorised to hold a public meeting during the sitting of the Senate on 2 April 2001, from 8 p.m., to take evidence for the committee’s inquiry under section 206(d) of the Native Title Act.

Legal and Constitutional Legislation Committee
Meeting
Motion (by Senator Calvert, at the request of Senator Payne) agreed to:
That the Legal and Constitutional Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on 2 April 2001, from 7.30 p.m., to take evidence for the committee’s inquiry into the provisions of the Customs Legislation Amendment and Repeal
(International Trade Modernisation) Bill 2001 and two related bills.

**Rural and Regional Affairs and Transport Legislation Committee**

**Extension of Time**

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

That the time for the presentation of the report of the Rural and Regional Affairs and Transport Legislation Committee on the import risk assessment on New Zealand apples be extended to the last sitting day in June 2001.

**BUDGET 2000-01**

**Consideration by Economics Legislation Committee**

**Report**

Senator CALVERT (Tasmania) (9.38 a.m.)—On behalf of the chair of the Economics Legislation Committee, Senator Gibson, I present the committee’s report in respect of the 2000-01 additional estimates, together with the Hansard record of the committee’s proceedings.

Ordered that the report be printed.

**PRIMARY INDUSTRIES AND ENERGY RESEARCH AND DEVELOPMENT AMENDMENT BILL 2001**

**SYDNEY AIRPORT DEMAND MANAGEMENT AMENDMENT BILL 2001**

**First Reading**

Bills received from the House of Representatives.

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (9.39 a.m.)—I indicate to the Senate that these bills are being introduced together. After debate on the motion for the second reading has been adjourned, I will be moving a motion to have the bills listed separately on the Notice Paper. I move:

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

Question resolved in the affirmative.

Bills read a first time.

**Second Reading**

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (9.39 a.m.)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

**PRIMARY INDUSTRIES AND ENERGY RESEARCH AND DEVELOPMENT AMENDMENT BILL 2001**

The Primary Industries and Energy Research and Development Amendment Bill 2001 places the Forest and Wood Products R&D Corporation on a much more secure footing to provide a strong and national focus to forest R&D, by increasing the Commonwealth contribution to the Corporation from July 2001.

The Primary Industries and Energy R&D Act 1989 inaugurated a major delivery system for rural research and development, through a series of R&D Corporations financed by industry levies and matching Government contributions.

Many primary industry producers lack the size to individually undertake R&D activities necessary for the long-term development of their industries. Governments have recognised this situation and developed, with industry, a mechanism whereby levies and charges are imposed and administered by the Commonwealth at the request, and on behalf, of industry organisations. The Primary Industries and Energy R&D Act established, and now governs the operation of, this R&D delivery mechanism.

When the Forest and Wood Products Research and Development Corporation was established in 1994, the Primary Industries and Energy R&D Act was amended to provide a specific funding arrangement for the forest sector of $1 from the Commonwealth for every $2 from industry. This was half the rate for all other R&D Corporations to which a levy is attached under the Act.

This policy was based on the belief that dollar for dollar funding should be confined to the rural and primary production part of the industry. It was suggested that the Commonwealth should not match R&D expenditure in the processing and manufacturing part of the forest and wood products industry.

There is, however, no significant difference in industry structure between forests and any other food crop or fibre industry covered under the
Primary Industries and Energy R&D Act arrangements:
The Forest and Wood Products R&D Corporation, like all other R&D Corporations, funds research into production, processing and marketing links in the chain.

In common with other primary industries, timber processors and wood product manufacturers often tend to be small, competing enterprises that are difficult to organise and who find it difficult to fund and capture the benefits of R&D.

The arbitrary separation of the forest and wood products sector into rural/primary production and manufacturing components is inconsistent with modern approaches to resource industries. This Government is actively encouraging rural industries to move towards a "whole-of-chain" approach to industry planning and development. Whole-of-chain planning encompasses sustainable resource use, production, processing, storage, transport, marketing and usage, plus promoting the linkages in the chain.

In the forest and wood product sector, I am working with industry on an Action Agenda to engender a more innovative and outward looking industry on a "whole of chain" basis. Artificial divides between primary production and manufacturing components of the sector are inconsistent with the Action Agenda.

In 1999-2000, Australia imported $3.8m (mainly paper and high value products) and exported $1.6m of forest and wood products (mainly woodchips and roundwood). Yet with our extensive forest resources, Australia should be in a position of exporting a wider range of high value products to redress this imbalance.

R&D on forest and wood products are vital if Australia is to reverse the current trade imbalance in trade in these products. Forest R&D have the potential to create sustainable long-term competitive advantage for the industry, particularly for higher value products. This Bill is therefore a vital component of the Forest and Wood Products Action Agenda.

Since 1997, the Commonwealth has supplemented the funding arrangement under the Act to bring Commonwealth contributions to 49 per cent of the Forest and Wood Products R&D Corporation revenue. The main source of these additional funds, the Wood and Paper Industries Strategy (WAPIS) operated from 1996 to June 2000.

The conclusion of WAPIS coincides with a number of other developments that could jeopardise continuing investment in forest R&D. Following the conclusion of Regional Forest Agreements, there has been a significant reduction in the State forest commercial estate. At the same time, there are an increasing number of small private growers establishing plantations and managing commercial stands of native forest.

A strong Forest and Wood Products R&D Corporation is required to prevent greater fragmentation in the forest and wood products industry and consequently reduced R&D investment particularly for broader national, strategic and public good research.

The Primary Industries and Energy R&D Amendment Bill 2001 is a timely demonstration of Commonwealth support for strategic, innovative and high quality R&D in the forest and wood products sector. It closely follows the Innovation Action Plan launched recently by the Prime Minister. And it demonstrates strong Government support for the Forest and Wood Products R&D Corporation. This support is likely, in turn, to ensure continuing industry support.

The increased funding will underpin a range of commercially viable projects to create greater value for our native timber resources, while developing new opportunities for our expanding plantation base. The Bill will ensure continuing investment in forest R&D, particularly for whole-of-chain, national and strategic research.

The Bill simply but effectively removes an anomaly that has existed in R&D funding under the Primary Industries and Energy R&D Act 1989 since 1994. It does not affect the arrangements for all the other R&D Corporations under the Primary Industries and Energy R&D Act.

SYDNEY AIRPORT DEMAND MANAGEMENT AMENDMENT BILL 2001
I am pleased to introduce the Sydney Airport Demand Management Amendment Bill.

The Bill will make a minor change to the Sydney Airport Demand Management Act 1997, which will underpin the amendments to the Slot Management Scheme that the Government announced on 13 December 2000. The Scheme is a disallowable instrument made under section 40 of the Act. The Bill will ensure that the amended Scheme is not subject to Part IIIA of the Trade Practices Act 1974.

The Government has concluded that Sydney Airport will be able to handle the air travel demand over the next ten years. The advantages of operating to the airport are so great that the airlines will adopt aggressive commercial strategies to maximise their use of the airport.

The Government has reaffirmed its commitment to the existing operating arrangements at Sydney
Airport. We will not alter the curfew, the 80 movements per hour cap, or the guaranteed slots for regional airlines. We will, however, make four changes to the Slot Management Scheme, which will:

- cap the number of regional slots allocated in peak periods at its current level;
- encourage airlines progressively to introduce larger aircraft;
- establish a minimum aircraft seat limit for allocating new slots, to be determined in consultation with industry; and
- remove any risk that the major airlines could avoid the regional guarantee by migrating the regional slots held by their affiliates into non-peak periods.

The Department of Transport and Regional Services is drafting a discussion paper on these changes, which will be released later this month.

I want to stress that the Sydney Airport Demand Management Amendment Bill does not pre-empt our consultations on the details of the amendments to the Scheme. It simply ensures that the amendments - whatever their final details - will be valid. The Bill has to be introduced into Parliament now to ensure that the Scheme can be amended before the airline timetables for the Northern Winter 2001 scheduling season need to be settled.

I turn now to the main provision of the Bill. Schedule 1 of the Bill will enable the Slot Management Scheme to differentiate between specified categories of aircraft movements, despite Part IIIA of the Trade Practices Act.

The Government’s policy on Sydney’s future airport needs will enable Sydney and Australia to benefit from the growth of air travel, while still protecting local residents and regional New South Wales.

The Bill will underpin the Government’s policy.

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

Ordered that the bills be listed on the Notice Paper as separate orders of the day.

**EXCISE TARIFF AMENDMENT BILL (No. 1) 2001**

**CUSTOMS TARIFF AMENDMENT BILL (No. 2) 2001**

**First Reading**

Bills received from the House of Representatives.

Motion (by Senator Heffernan) agreed to:

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

Bills read a first time.

**Second Reading**

**Senator HEFFERNAN** (New South Wales—Parliamentary Secretary to Cabinet) (9.40 a.m.)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

**EXCISE TARIFF AMENDMENT BILL (No. 1) 2001**

The Excise Tariff Amendment Bill (No. 1) 2001 contains amendments to the Excise Tariff Act 1921. The amendments contained in the Bill have been previously tabled as Excise Tariff Proposals Nos. 1, 2 & 3 of 2000, and Nos. 1, 2 & 3 of 2001. These proposals now require incorporation in the Excise Tariff Act. The first proposal of 2000 is a budgetary measure and the other two are amendments resulting from tax reform policies. Proposals Nos. 1 & 2 of 2001 are minor amendments to correct technical deficiencies relating to the Product Stewardship (Oil) arrangements, and Proposal No. 3 of 2001 gives effect to the package of cuts to fuel taxes announced by the Prime Minister on 1 March 2001.

**Aviation Kerosene**

Amendments in the Bill relating to aviation kerosene, commonly known as avtur, give effect to a measure announced in the 2000-2001 Budget to increase the rate of excise duty for avtur by 0.036 cents per litre to 2.795 cents per litre. All revenue raised through this increase will be used to fund airport regulation activities by the Australian Competition and Consumer Commission (ACCC).

As part of the airport privatisation process, the Government introduced a framework for economic regulation of airports in 1997. These regulatory arrangements have been designed to achieve an appropriate balance between public interest and private commercial objectives. The ACCC has primary responsibility for implementing and administering the framework of economic regulation at the privatised airports and Sydney airport.
The regulation activities for airports are more extensive than originally envisaged and require more funding. An increase in the rates of excise and customs duty for avtur was considered an administratively efficient method of cost recovery. The increase is taken to have effect from 13 May 2000 and will provide $900,000 per annum to fund the regulatory arrangements.

**Alcoholic Beverages**

Amendments in the Bill relating to alcohol incorporate changes to the excise duty on alcoholic beverages arising out of the Government’s policies on tax reform for alcohol. These policies were outlined in the document, Tax Reform: not a new tax, a new tax system: The Howard Government’s Plan for a New Tax System.

Three main alterations are proposed, all of which were implemented on 1 July 2000.

Firstly, the rate of excise on currently excisable beverages is increased to offset the removal of the 37% wholesale sales tax. Secondly, a three tiered duty rate structure for beer, based on alcohol content, is introduced. The excise free threshold for beer of 1.15% alcohol by volume will remain.

The last change is to bring to excise those alcoholic beverages, such as designer drinks, coolers and the like, which were previously non-excisable and not subject to the Wine Equalisation Tax.

**Petroleum Products - Tax Reform**

The tax reform amendments to petroleum products included in this Bill are also driven by the policy document, Tax Reform: not a new tax, a new tax system: The Howard Government’s Plan for a New Tax System, which outlined the Government’s commitment to maintain fuel prices for consumers as a result of the introduction of the Goods and Services Tax.

Under the new arrangements introduced on 1 July 2000, excise duties are reduced to offset the removal of the petroleums, leaded petrol, diesel and potential fuel substitutes. These duty reductions are complemented by the Fuel Sales Grant Scheme, which provides grants to retailers of petrol and diesel in non-metropolitan and remote areas to address the divergence in fuel prices between the cities and regional areas. Taken together, these measures give effect to the Government’s commitment.

**Product Stewardship (Oil)**

On 1 January 2001, goods classifiable to Item 15 of the Schedule to the Excise Tariff Act, namely petroleum based oils and lubricants and their synthetic equivalents, became excisable. These goods are those dutiable under the Product Stewardship (Oil) arrangements. Excise equivalent imported products are also dutiable at the same rate.

The number of decimal places in an excise rate is set in legislation. Unless all like products have a rate expressed to the same number of decimal places, indexation provisions may not apply correctly owing to the effects of rounding. The amendment changes the rate expressed from two decimal places to five decimal places.

The second set of amendments, which alter section 6G of the Act, are designed to allow set-offs of duty which have been previously paid, whether as a customs duty or a local excise duty. Under the existing system, customs duties paid on petroleum product which is to be used in further excise manufacture in Australia cannot be set off against the amount of excise payable on the final excisable product.

**Fuel tax reductions**

On 1 March 2001, the Prime Minister announced a package of cuts to fuel taxes.

Under the new arrangements introduced on 2 March 2001, excise duties are reduced by a further 1.5 cents per litre for unleaded petrol, leaded petrol, diesel and other petroleum products that attract equivalent rates of duty. Duty on aviation fuels and on those petroleum products attracting concessional rates of duty is reduced by a proportional amount.

Complementary amendments for equivalent imported goods are contained in the Customs Tariff Amendment Bill (No. 2) 2001.

Full details of the measures in the Bill are contained in the explanatory memorandum. I commend the Bill and present the explanatory memorandum.

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**CUSTOMS TARIFF AMENDMENT BILL (No. 2) 2001**

Customs Tariff Amendment Bill (No. 2) 2001 implements alterations to the Customs Tariff Act 1995 which complement those contained in Excise Tariff Amendment Bill (No. 1) 2001.

The amendments contained in the bill have previously been tabled as Customs Tariff Proposals numbers 2, 3 and 4 of 2000 and number 2 of 2001.

The first proposal is a budgetary measure. Proposals numbers 2 and 3 contain amendments which result from the implementation of tax reform. The last proposal proposes reductions to customs duty on a range of fuels.

I will briefly summarise the changes contained in the bill.
The customs duty on aviation turbine fuel is increased, with effect from 13 May 2000, by 0.036 cents per litre, in line with the change in the Excise Tariff Amendment Bill.

In respect of alcoholic beverages of chapter 22 of the Customs Tariff, the rates of customs duty are increased to offset the removal of the 37% wholesale sales tax.

The bill also introduces a three tiered duty structure for beer and a new duty structure for mixed alcoholic beverages. These amendments complement those contained in the Excise Tariff Amendment Bill.

The tariff amendment bill also creates separate tariff subheadings for alcoholic beverages subject to the wine equalisation tax.

The bill also reduces the customs duty on petrol and other fuels by 6.656 cents per litre to maintain fuel prices following the introduction of the GST.

The above amendments are effective from 1 July 2000.

Finally, the customs rate of duty on leaded and unleaded petrol and diesel fuel is reduced by 1.5 cents per litre, and by a proportional amount for other fuels with effect from 2 March 2001.

I commend the bill and refer to the combined explanatory memorandum for these bills.

Senator O'BRIEN (Tasmania) (9.40 a.m.)—I move:

That the debate be adjourned.

I note that the first item on the red is these two bills. I understand that the government do not intend to proceed with those. I wonder if that could be clarified for the record now.

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (9.41 a.m.)—I understand that is the position of the government.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (9.41 a.m.)—by leave—I think this is more than just a little unusual. These bills—and there is no secret about this—are being rushed through by the government. We were asked to be ready to debate them at the opening of today's session. They are on the red as the first order of government business, and now the government wishes to defer them to some indefinite time.

The first thing that perhaps should be said about this is that we would have appreciated a bit more notice. The government yesterday held a debate with our whip and others on this side saying that we were not ready to proceed on certain bills and that we were delaying proceedings. We are ready to proceed on these bills; we are not delaying proceedings. Despite the fact that the allegation made against us by the Manager of Government Business in the Senate yesterday was wrong, we now find that the government is simply putting aside the program when, of course, everyone is available to proceed with that. That is just an organisational matter and quite an appropriate comment to make about management of the affairs of this chamber.

But when one considers the nature of these bills, the delay by the government takes on a completely different aspect and does raise in our mind considerable suspicion about motive. These are the bills that would reduce excise on petrol and increase excise on beer. These are the bills that have featured on the front pages of Australian newspapers for the last couple of days and have dominated television and radio reports of government legislative intent. These are the bills that embody the by now infamous duplicity of the government to match in the one set of bills a reduction in petrol excise and an increase in beer excise and deliver a 'take it or leave it' vote to the chamber. That is what the government did in the House and what it got carried by sheer weight of its numbers in the House.

But the Prime Minister also acknowledged in question time yesterday that if the Senate divides the bills—and we foreshadowed in the second reading debate in the House that we intend to, and the Democrats had indicated to us that they would support that—then those bills will separately go back to the House of Representatives. And if you read the plain language of what the Prime Minister has said, the overwhelming implication is that the government will then allow them to be voted on separately. So we are not held to ransom and, in order to get a petrol price reduction, have to vote for a beer price increase. We can at least vote for a petrol price reduction and a beer reduction separately, not in the one document.
This is the sort of duplicity that is being engaged in and this is what these bills are about. They have come into this chamber after much public scrutiny, public unrest and absolute dismay at the approach by the government and we were told to be ready to start—and we are: we want to get into this debate. But then the government says, ‘Hang on, we are reorganising this debate and will defer it to some other time.’ That raises a substantial suspicion about motive. Why is it necessary to reorganise this legislation? We also know from media reports that the government and the Australian Democrats are discussing this legislation. There is more than a hint of deja vu here.

Senator Faulkner—Not another deal, surely.

Senator COOK—There you go, Senator Faulkner—that is the $64,000 question. The American baseball player and homespun philosopher Yogi Berra said, ‘Here we have deja vu all over again.’ That is exactly the situation we are in.

Early last year, when we were debating the GST legislation, the Democrats were with us and Senator Harradine had the swing vote. Senator Harradine declined to give the government the support to get their bills through the parliament. Then there was an extended delay. There were offstage talks and then came the infamous photograph of the Prime Minister and the Leader of the Democrats shaking hands on the GST deal. What did Senator Lees say then? She said, ‘In 13 hours, I have made more progress in negotiating on these GST bills with the government than I made in 13 years negotiating with the Labor Party.’ Those words have come home to roost, as the slow burn of the GST through the Australian community has contributed to the dismissal of a Liberal government in Western Australia, a National Party government in Queensland and a Liberal member from the safe Liberal Party seat of Ryan in Queensland.

I do not know if there is a deal being hatched that will reverse the apparent position that we face on petrol and beer. Certainly I am not—and emphatically not—accusing the Democrats of welshing on any undertaking. I have no reason to believe they are. But I do know that talks are under way now on this very matter and that does raise the suspicion. We could take the government on good faith; we could believe the Prime Minister—if he did not have such a terrible track record of being slippery, evasive and duplicitous.

Senator Hutchins—And slimy.

Senator COOK—Indeed. We could believe the Prime Minister, but remember what these bills are about. These bills, taken together, hold a gun at the head of Australian beer drinkers. These bills say, ‘If you want to pay a lower tax on your petrol to get to the hotel to have a beer, you’re going to have to pay a higher price for your beer.’ Would we put up with that? Which Australian would cop that type of blackmail? None that I know of. Will the Labor Party accept it? Absolutely not. I do not think a majority in this chamber will accept it. The media outcry has put the government under pressure and under the microscope—as to what they do and every move they make on issues like this—more intensely than ever before.

I want to register on this motion now to change the order of the debate that this is not an inconsequential move; this is substantial. The normal courtesies and concerns expressed in this chamber about managing business are being aborted. That is a secondary point to the main one—that these are substantial matters of public importance, and we ought to get on with the debate. This chamber ought to divide the bills to enable the questions to be put and determined separately and then to send those bills back to the House to be voted on separately there and returned to us.

Senator Faulkner—It should be voted on here and not behind closed doors.

Senator COOK—That is right. It is entirely appropriate that if the government has got concerns about the course that it is now faced with that it come in here and express them. Let us not have little meetings locked away in this building canvassing issues in private, secretly, about ‘Why don’t you do this?’ and ‘Why don’t you do that?’ Let us come in, put it all on the table and have an open debate. If there is one thing that Aus-
tralians get annoyed about with political behaviour, it is the secretiveness of it. This chamber exists for openness. Through you, Madam President: if you have got a concern, come in and say it. If it is worth saying in private, it is worth saying in public. I am not sure who was got the numbers to carry this change—I guess it will be carried—but I want to leave on the record those very serious concerns of the Labor Party on this most important piece of legislation.

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (9.51 a.m.)—by leave—Despite all the conspiracy theory that we have just heard from the opposition, the simple reason for the government’s position on this issue is that at 9.25 the Labor Party circulated some amendments. We have not had time to consider them and would like to do.

Question resolved in the affirmative.

Ordered that the resumption of the debate be made an order of the day for a later hour.

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 2) 2000-2001
APPROPRIATION BILL (No. 3) 2000-2001
APPROPRIATION BILL (No. 4) 2000-2001

Second Reading

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

That these bills be now read a second time.

Senator HUTCHINS (New South Wales) (9.52 a.m.)—I just want to reiterate what I concluded with last night, and that was that in the Lyne electorate the shortage of nursing home beds is such a problem that elderly bedridden patients who require full-time care are being kept in the Manning Base Hospital in Taree. There are people in the Taree district who are awaiting surgery. They need the 30 beds these patients are taking up in the hospital but, due to the government’s ongoing neglect of aged care, they are being forced to wait as bedridden patients who really should be in nursing homes take up the hospital beds that they need.

I would like to refer to a report that was released earlier this week by Labor’s shadow spokesperson on aged care, Senator Chris Evans. Projections done by Senator Evans on figures from the department of aged care and the Australian Bureau of Statistics show that, in 2001, the government will fall 3,685 aged care beds short of its own estimate on the number of beds needed in New South Wales. Even though the government has recently allocated a series of new beds, there will still be a massive shortfall of 2,130 aged care beds by 2002.

In the area covered by the member for Lyne’s electorate, the Mid North Coast of New South Wales, it has been projected in Senator Evans’s report that aged care bed shortages will reach around 946 this year and 766 in 2002. On the Central Coast, where the silent member for Robertson’s electorate is located, shortages will reach around 1,158 aged care beds this year and 921 in 2002. And in the Nepean region, in the member for Lindsay’s electorate, shortages will be around 154 aged care beds this year and 101 in 2002. In 1997 the average wait for an aged care bed in New South Wales was 41 days; in 1999 this figure had blown out to 61 days. With these projected bed shortages, how long an elderly person in New South Wales is going to have to wait for a nursing home bed in the future is anyone’s guess.

I also noticed in the report that, while these areas like the Mid North Coast, the Central Coast and the Nepean region are suffering bed shortages, the region of northern Sydney actually has an excess in aged care beds. That is right—over there on Sydney’s rich and leafy North Shore, where they have big houses, harbour views and BMWs, they also have an excess of aged care beds.

Senator Heffernan interjecting—

Senator HUTCHINS—You might need them one day, Senator Heffernan. In June 2000 they had an excess of 1,190 beds; by June this year it is projected that they will have an excess of 1,114 aged care beds, and in 2002 they will have an excess of around 1,076 beds. So while elderly people in less advantaged areas like the Mid North Coast, the Central Coast and the Nepean region have to wait for aged care beds due to shortages, on Sydney’s leafy North Shore they have more beds than they need.
After all the attacks this government has made on elderly Australians, I find it puzzling that it would still be throwing around millions of dollars to fix the GST and only a pittance towards helping out our senior citizens in our most disadvantaged areas. Once again, elderly Australians, especially elderly battlers, have been ignored by this government. Australia’s elderly citizens have a right to be better served by their government and not be abandoned as they have been under this legislation.

Senator O’BRIEN (Tasmania) (9.57 a.m.)—These bills comprise the additional estimates for the year 2000-01. Through these bills, according to the Minister for Finance and Administration, the parliament is being asked to appropriate moneys to meet essential and unavoidable expenditures from the consolidated revenue fund. This is an interesting comment in the light of what we have seen from this government in recent months.

There is now a growing list of major expenditures—and we will be discussing such expenditures when we debate the excise tariff bill later today—such as cutting the excise on fuel and even ending indexation that not long ago were considered by the Prime Minister to be economically irresponsible. As the results of the elections in Western Australia and Queensland and now the by-election in the seat of Ryan have dawned upon the government, what was once economically irresponsible is now essential and unavoidable. The cost of the Prime Minister’s decision on fuel excise, for example, will be $2.6 billion over the next four years. The Prime Minister tried first to placate Australian motorists, who are, rightly, hostile about the price of fuel and the government’s GST tax—a tax on a tax in this case, a rip-off. The government tried to placate the motorists with a new roads package worth $1.6 billion. That did not work. The Prime Minister was then forced to try to mend a broken promise, and it is clear that that has not worked either. This petrol tax backflip caused considerable embarrassment for the Treasurer, Mr Costello, who sat glum faced in the joint party room when Mr Howard announced the decision.

Senator Heffernan—How do you know?

Senator O’BRIEN—Senator Heffernan, you can come and correct the record.

Senator Heffernan—It wasn’t me, cobber!

Senator O’BRIEN—Oh, it was not you; it was Senator Calvert.

Senator Calvert interjecting—

Senator O’BRIEN—As you would have read in the paper, Senator Calvert, your party room leaks like a sieve. I understand that the Prime Minister had earlier given the Treasurer a dressing-down in a private meeting—I heard that through another leak. He told the Treasurer that it was about time that he started running the Treasury, rather than allowing the Treasury to run him.

The failure to get even 50 per cent of what the government had factored into the budget from the third generation spectrum sale was another significant blow to the economic credentials of both the Treasurer and the Prime Minister. This $1 billion-plus overestimate of the value of this spectrum might have been yet another mistake by the Treasurer, Mr Costello, but it will be the Australian economy which will have to pay in the end.

The Prime Minister recently sought to paint the Labor Party as gloom and doom merchants when it comes to the state of the economy. He said on the eve of the Ryan by-election that Mr Beazley was behaving irresponsibly by entertaining the notion that there might be a recession. But what did Mr Howard say in 1995 when he was Leader of the Opposition? When he was madly talking down the economy and attacking the then Labor government about the health of the Australian economy, he said:

When somebody punctures that with a bit of market-based reality, they shout foul, they play the patriotic card and say ‘Oh dreadful fellow, he’s talking down the economy’.

The then Leader of the Opposition, Mr Howard, went on and said:

That is not talking down the economy, it is telling the truth.

Mr Howard’s claim at that time was not correct. During the lead-up to the 1996 election,
he rightly earned the nickname of Chicken Little, because the sky was always falling in according to him. Mr Acting Deputy President Campbell, while Mr Howard’s claims about the economy were at best misplaced in 1995—because after the election, as you will recall, he said he inherited an economy that was basically sound—they fit perfectly with the current state of the Australian economy. Let me go through some economic facts. The value of the Australian dollar has dropped by 26 per cent since January 2000. It has been as low as in the 48c range. This slump in the dollar has not simply been in response to the strengthening US dollar, as the government would have us believe. On a trade weighted basis, the Australian dollar has fallen by around 19 per cent since January last year. Nor is a very low dollar a good thing for the economy. I note the comment by Stephen Koukoulas in the Australian Financial Review on 16 March when he said:

But the reality is that well-run, well-managed, dynamic economies tend to have strong currencies, while staid, fractured economies without policy direction have the opposite.

It is the actual state of the economy that is the problem, not the view that we on this side of the chamber have expressed.

The latest set of national accounts shows that the economy actually shrank by 0.6 per cent over the final three months of last year, a fall in activity way outside even the most pessimistic prediction from economic commentators and the financial markets. The evidence of the sad state of the Australian economy is also reflected in a number of industry surveys. It is worth noting the views of the members of the Australian Industry Group that represent some 800 manufacturers with a combined annual turnover of $50 billion and with around one million employees. That survey found that, while the tough times in the manufacturing sector appeared to have bottomed in the December quarter, the problems had widened across more sectors. In fact, 11 out of 12 sectors surveyed reported worsening conditions. The survey showed the downturn had also spread across the states, including very sharp downturns in the country’s biggest manufacturing states, Victoria and Queensland. This is how the head of the Australian Industry Group, Helen Ridout, summed up the findings of this research:

... very tough conditions, very tough trading conditions, weak demand, weak investment intentions and a worrying weakening, but still positive, export performance.

So it also appears that a key driver of the Australian economy, the export sector, is weakening. This weakening in demand for our exports is flowing from a global economy facing its weakest year since the Asian crisis of 1998. Last month, the Australian Bureau of Agricultural and Resource Economics forecast that commodity exports will grow by just 3.5 per cent in the year 2001-02. I remind the Senate that this is well down from a prediction of a 20 per cent surge in growth for the current financial year. The employment front is also looking increasingly difficult. Ms Ridout also pointed to weakening demand for labour, and I again quote her:

Unemployment is going up in the industry and will go up in the economy.

The Westpac-Melbourne Institute consumer sentiment survey released on 14 March showed that consumer confidence had fallen 15.4 per cent in March—the lowest level since the recession in the early 1990s. In fact, it was the biggest drop in the 25-year history of the survey. Recent economic data shows that unemployment has risen by 3,000 jobs a week since September last year.

The potential for jobs growth in the coming months appears limited—and this is further damning proof of the government’s economic mismanagement—because the number of job advertisements in metropolitan newspapers in February measured through the ANZ job advertisement survey fell by 10 per cent. That figure was down a massive 27 per cent on February 2000, the biggest annual fall since the recession of 1991. The ANZ job advertisement survey rightly has a reputation as being a relatively accurate forward indicator of employment outcomes. ANZ economist Mr Saul Eslake predicted that employment would fall by around 5,000 jobs a month for the next few months. That will push unemployment to well over seven per cent.
Turning to another area of the economy, the level of national debt is also reaching alarming proportions. Australian foreign debt is now over $300 billion—that is right, over $300 billion. That is a record 46 per cent of gross domestic product, and many in this chamber will be asking government senators, ‘Where is the debt truck?’ It apparently collapsed under the weight, because foreign debt has jumped $6.2 billion in the December quarter and the debt’s equivalent is something approaching $16,000 for every man, woman and child in Australia. If that were not bad enough, private capital expenditure—a key influence on the growth of the economy—dropped 5.2 per cent over the three months ending December 2000. These are not the gloomy views of the Labor Party; this is the actual state of the Australian economy.

If we go beyond the statistics and look at business conditions according to business operators, the situation does not get any better. In a recent interview on the 7.30 Report a trucking contractor, Peter Mikelat, said:

“It feels like we are really and truly in a recession. Industry is just so slow there is not much turnover. Customers are becoming slower payers.

And the reason, according to Mr Mikelat, was the GST. Let me quote him again:

... the fundamental problem is because of the GST. I think it is the flow-on effect it has had on industry.

That is what a small business operator has to say. What about the big end of town? On the same program, Ray Horsburgh from Smorgon Steel said:

Our people believe it is as bad as we have had ... We did budgets last May. We just miscalculated. We budgeted for an 8 percent drop in the market and we have had 20 percent. Effectively two and a half times the target.

What was the reason? The impact of the GST on smaller customers. Mr Horsburgh said that the GST had created confusion and he told the 7.30 Report—and he was referring to business:

They don’t know how to handle the GST.

From all of that, senators would recall the view of the Treasurer on suggestions from this side of the chamber that the business activity statement was creating chaos in the small business sector. I am sure that everyone recalls how Mr Costello said there was nothing wrong with the system and, anyway, nothing could be done to change the system in the short-term, even if there were a problem. I am sure that everyone recalls the perfect backflip he then performed under the watchful eye of that great exponent of the art of diving, Mr Howard. Senators would recall some recent great performances by Mr Howard, including the backflip on plans to control the use of trusts for tax avoidance. Mr Costello announced the decision but, in that case, it would be misplaced if credit for the decision were given to the Treasurer, because the backflip on trusts was very much the work of the Prime Minister.

It should not be forgotten that the current Prime Minister, who was the Treasurer in the Fraser government, has form when it comes to the question of tax avoidance—and I do not mean personally. For five years as Treasurer, Mr Howard failed to deal with an explosion of tax avoidance schemes in this country. He acknowledged in 1980 that he had been aware of the bottom of the harbour schemes for two years but had failed to apply the full force of the law to fix that problem. The McCabe-Lanfranchi report, which was tabled in the Victorian parliament in May 1982, revealed a massive fraud of Commonwealth revenue, in the order of about $200 million—in terms of that day’s prices, and not today’s, of course. The Costigan royal commission was then established to investigate the activities of the Federated Ship Painters and Dockers Union. At the time, Mr Howard acknowledged that the Australian Taxation Office had raised with him in 1978 the need for criminal penalties to deal with these practices. He said in a statement:

I had an examination carried out by officers of the Taxation Department, the Department of Business and Consumer Affairs and Attorney-General’s Department. Their advice to me was that the schemes could not effectively be countered by the application of existing laws which they found to be deficient for the purpose for one reason or another.

But what did he do? He did nothing. Now we see another opportunity to tighten up tax laws in this country so that more people are
forced to meet their tax obligation being abandoned by Mr Howard and this government. I am not sure that everyone would recall the commitment given by Mr Howard and Mr Costello in 1996, which was to cut red tape for small business by 50 per cent. Rather than cutting red tape by 50 per cent, the Howard government, through the introduction of the GST, has made over two million businesses become tax collectors, with all the compliance implications that that entails. It has therefore increased that red tape by at least 50 per cent. So no cut; a rise. If you do not believe me on that, just listen to what the Minister for Small Business, Mr Macfarlane, had to say. He was actually forced to apologise to the small business sector. Let me quote him. He said:

We had increased paper work and red tape to a point where we felt that we weren’t able to maintain our election promise.

They are his words, not mine. Let me say this: the simplification of the BAS has made things worse. Under the new arrangements, businesses with a turnover of less than $2 million that do not put in a quarterly BAS will have their tax bill calculated on past returns plus whatever the GDP is increasing by at the time. Any shortfall that flows from this mechanism will then have to be made up at the end of the taxation year. If these calculations are out by more than 15 per cent, I understand that extra interest will be added the bill.

There was a further small business survey released last weekend. It was undertaken by Australian Business Ltd, who surveyed 775 companies: 65 respondents reported that the GST was having a negative effect on their cash flow. The problem was more evident in businesses employing 100 people or less—small business, in other words—and the data from the Australian Securities and Investments Commission shows a 139 per cent increase in the appointment of receiver-managers in the past 12 months. But the government can quote one business sector that claims to be making hay under the GST cloud, because the executive director of the Insolvency Practitioners Association, Mr Hugh Parsons, says that the workload of his members was up 30 per cent. He said:

... we are looking at a very, very busy next 18 months.

Some praise, but I expect the government will not be quoting that. This is the economic reality imposed on Australia by this government. Rather than let them have the last word, the last word should go to the Deputy Governor of the Reserve Bank, Dr Stephen Grenville, who said:

What was not foreseen was, first, the size of this fall—the fall in housing construction—and, second, the degree of confidence sapping annoyance with the administration of the GST.

So that is it. If Mr Clinton were an Australian politician in the government and he were being realistic, he would be saying to his colleagues, ‘It’s the GST, stupid.’

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (10.16 a.m.)—I wish to discuss the Appropriation Bill (No. 3) 2000-2001 and I begin—appropriately so, given that the minister is in the chamber—by referring to the Communications, Information Technology and the Arts portfolio. Before Senator Alston gets concerned, I am actually acknowledging, drawing to the Senate’s attention, and congratulating the government on—he looks surprised—the appropriation of money to support the National Museum of Australia. The aim of that, as contained in the appropriation bill, is that Australians have access to the National Museum’s collections and public programs to encourage awareness and understanding of Australia’s history and culture. The new National Museum is a wonderful celebration of Australia’s diversity, our humour, loss, quirkiness, pain, triumph and ingenuity. One striking feature of the collection is the extraordinary scope of the imaginative ways and means by which Australians have identified and tackled problems. Whether it be rabbit fences, buffalo catchers, improvised medical techniques or the diversity of contributions by women in science, you cannot but be struck by a rich heritage of innovation, from the making-do to the cutting edge. Sadly, experiencing the museum simply serves to highlight the deep frustration that is felt by so many Australians that, in many other areas, this government is not fully committed to
nurturing and enhancing an innovation culture.

The government’s innovation statement, Backing Australia’s Ability, represents a long overdue but fragmentary recognition that innovation is fundamental to our future social, cultural and economic prosperity. I do not think anyone denies that this is an important plank of our economic platform in this country and that everyone realises that underpinning this is a commitment to education, training, research and development and a backing of science. While I think most people have used the rhetoric and have acknowledged that, it has been a belated recognition by government in the form of additional resources to actually back up that particular rhetoric. However, we welcome that belated backflip, or whatever you want to call it. But in doing so we must never forget that the innovation statement comes five years after this government has gutted universities and CSIRO funding and has precipitated declining private investment in innovation by reducing the R&D tax concessions, specifically. So it is not just a lack of commitment that is the problem but the dangerously narrow understanding of innovation that underpins the government’s agenda.

The Innovation Summit report gives us some hints as to what is required, with its emphasis on culture, creativity, ideas and the value of human capital. Successful innovation requires taking risks, so we must expect and accept failures. However, this means we must spread our nets widely and accept that policy will only be effective if it explicitly recognises innovation and R&D and feeds on a diversity of inputs. Strategic focus is sensible but only if it is built upon and connected to a broad base of different modes of education and research and development. So it is of particular and deep concern to the Democrats that the government does not appear to have understood this necessity for breadth and diversity, as the proposed changes to the R&D concession demonstrate. The government intends to severely curtail the scope of the concession by, firstly, requiring all claims meet both the innovation and high technical risk criteria, whereas currently claims only need to satisfy one of these criteria; secondly, extending the R&D exclusion list; and, thirdly, narrowing the definition of research and development activities. The Democrats are most concerned that it is possible that up to 90 per cent of currently eligible projects will not meet the new criteria. It is not just that most companies will be losers but that the losers will be concentrated in so many of our mature industries, including agriculture and mining and manufacturing. Innovation in these areas may not be as glamorous as in the biotechnology fields but innovations that lead to greater energy and resource efficiency, for example, are vital to our prosperity, economically as well as environmentally. Do not get me wrong: I am the first to talk about the potential dazzling benefits from biotechnology, but I do not think we can afford to ignore our traditional and mature industries.

The net effect of the changes that have been proposed by the government under Backing Australia’s Ability is certain to be a further reduction of private investment in innovation and research and development, which has to be the worst possible outcome. Nurturing and developing an innovation society requires a healthy, robust education and research capability. This is crucial and is well understood in other countries—Ireland, the USA, Canada, Israel and Singapore, for instance. The governments of these countries have massively invested in their education and research capability over the past few years. That contrasts greatly with what has happened in our country over the past 15 years, but particularly since 1996 when this government came to power. Is there anyone who does not believe that our universities are under extreme financial duress? I expect that Dr David Kemp might make a valiant attempt to argue that they are not experiencing difficulties, but even leaked cabinet documents indicate that Dr Kemp believes there are some difficulties in a number of institutions. The Australian Vice-Chancellors’ Committee certainly believe that an extreme period of duress is being experienced by our universities, and they urge an immediate increase in funds for teaching and learning to complement the government’s partial backflip on funding for R&D.
The stripping of public resources from universities by this government is unprecedented in the history of Commonwealth involvement in university funding, leading to a crisis in the accessibility and quality of higher education. I do not ignore the deleterious effects of policy under the former government in relation to increased fees and charges and a diminution in operating grants. Certainly the 1983 peak operating grants or per EFTSU funding was a high point but it was not achieved consistently throughout the rest of the Labor Party’s period in office, so I do not want to let them get away scot-free either. But certainly the changes under this government are unprecedented in the history of our nation.

As a consequence of the implementation of differential HECS introduced by this government and the significant lowering of the repayment threshold, undergraduate applications in 2000 were 8,408 below 1996 levels. Preliminary figures provided by the Senate estimates committee in December 2000 suggest that applications in 2001 were 10,518 or 5.3 per cent further below the 2000 figures. Does the government seriously believe therefore that falling demand bodes well for Australia? I know that people—especially in this government—are quite quick to talk about increased numbers of students accessing university. But we are not fooled by those figures in the sense that those increasing numbers of students are not being matched with EFTSU funding; they are not being matched with a commitment to appropriate resources and money in the form of operating grants.

OECD data indicates that between 1990 and 1997 participation in tertiary education—at 31 per cent—rose slower in Australia than the average in OECD nations, which was at 49 per cent. I emphasise that the Australian figure is significantly inflated because it includes international students. So, if you remove international students, the figure is 25 per cent, and most of that is in the first half of the last decade. The decline in domestic enrolments last year will only exacerbate this picture.

Potential students are less interested in undertaking higher education, because this government keeps stacking up the barriers. It keeps putting obstacles in the path of students, especially those who are traditionally unrepresented or underrepresented in higher education—and, as an obvious example, I use those from lower socioeconomic backgrounds. In fact, only 30 per cent of current students can now access the common youth allowance, and we know one thing for sure: income support does have an impact on people’s ability to participate in and enter into education at all levels, but specifically higher education. Yet those income support measures have been whittled away.

I place on the agenda yet again the fact that the Democrats will continue to argue for, and move amendments to try and achieve, an age of independence for the accessing of the common youth allowance and income support for students that reflects the reality: the fact that people are independent—certainly they are under most other government legislation—at the latest, at the age of 18. Yet in Australia we have a situation where students are deemed to be independent from the age of 25, which I think most of the community recognises is farcical.

One measure of the success or otherwise of government policy in higher education is its accessibility for disadvantaged groups. So, clearly, the government’s record on this is lamentable. The proportion of students from rural and regional Australia has declined since the early 1990s. In 1998, 18.6 per cent of domestic students were from rural, regional and isolated backgrounds. But the reference figure, taken from the 1996 census, was 29.8 per cent, so there is continuing underrepresentation of those students in the higher education sector. Between 1999 and 2000 alone, the number of indigenous students fell from 8,001 to 7,350. The government must accept significant blame for this with their changes to Abstudy—meanspirited changes implemented by this government and enforced at the time by Senator Amanda Vanstone, then the higher education minister.

A Deakin University analysis of the changes to Abstudy and their effects on the 1998 cohort showed that only 5.7 per cent of students would benefit and an appalling 94.3
per cent would be significantly disadvantaged. Judging quality, of course, is always difficult, but one clear indicator that tells a sorry tale is the change in the student to teaching staff ratio. AVCC data shows a damming trend. In 1990, the staff-student ratio was 1 to 3.17. This rose under the previous government from 1 to 15.68 in 1996, but it has leapt to 1 to 18.3 under the 1999 figures, under this particular government. The higher education report, which has been referred to in this place on a number of occasions—that is, the 2001-03 triennium report—makes it clear that, without a significant change in policy, things will only get worse. In fact, student numbers are estimated to rise 27 per cent between 1995 and 2003 but in the same period revenues will increase by only 21.5 per cent. That is, of course, a further decline in funding per student.

So this government’s significant disinvestment in our universities is substantially responsible for the crisis in our universities. The series of cutbacks between 1997 and 1999 notionally total six per cent, but in real terms it is much higher. In the absence of salary supplementation, the First Assistant Secretary of the Higher Education Division of DETYA, Michael Gallagher, estimates the gap between operating grant indexation and the actual salary outcomes has risen to around 15 per cent over the past five years. If the effects of a declining Australian dollar are factored in to the costs of universities—for example, costs for essential journals, books and laboratory equipment—the unfunded shift in the cost of universities is considerably higher.

Lord Deering, who headed the UK equivalent of the West review and was a member of the University of Melbourne Council, has estimated that under this government real cuts to universities are much closer to 30 per cent. Just one consequence of this is Australian academic salaries becoming increasingly uncompetitive. We have been hearing about this in our Senate inquiry into higher education. In 1980-81 an Australian professorial salary was just over 97 per cent of the American counterpart; in 1999-2000 it was 65 per cent. A very similar story applies at lower levels of academic appointment. Is it any wonder that Australian academics are heading overseas in the ‘brain drain’, as it is referred to. Universities are complaining that it is increasingly difficult to hold their good academics and even harder to replace them, as our best and brightest are fleeing overseas. In this election year, it is essential that both the old parties, the coalition and the Labor Party, demonstrate a real commitment to Australia’s future by embracing policy settings that reverse the funding crisis and once again make quality and accessibility hallmarks of the Australian higher education system. That means appropriation bills of a very different hue from those that we are examining today.

I would like to refer to another element of Appropriation Bill (No. 3) 1999-2000: the Industry, Science and Resources portfolio. I note the additional appropriation of roughly $20 million to ANSTO—in particular, outcomes 1 and 2, which go to the new reactor for Lucas Heights and the removal of spent fuel rods from the ANSTO site, which are described as ‘in line with stringent safety arrangements and community views’. If there is one defining characteristic of this government in relation to the new Lucas Heights reactor and community concerns it is wilful complacency. Senators would be well aware of the recent French court action banning the unloading of Australian nuclear waste at Cherbourg. This action has exposed serious technical and legal flaws in the secret agreement between ANSTO and Cogema, the French firm specialising in the reprocessing of nuclear waste. This decision means there is no reliable reprocessing capability for the current or any replacement reactor. Thus it makes a nonsense of the government’s assertions that a proper nuclear waste strategy exists for nuclear waste created in Australia.

The picture became distinctly murkier after Minister Minchin’s response to my question without notice the day before yesterday. While Minister Minchin’s French strategy is exposed as deeply flawed, ultimately relying on a wing and a prayer that the French government will change the law if the court finding is upheld—and I understand that the court finding is under appeal and that we will probably have a decision on 3 April—Min-
ister Downer was forced to acknowledge publicly that he had just initialled a nuclear cooperation and safeguards agreement with Argentina. I remind the chamber that as recently as 22 February the First Assistant Secretary of the DFA T International Security Division, Bill Paterson, told a Senate committee that negotiations on a bilateral nuclear cooperation agreement with Argentina would begin some time this year and were expected to take six months. At that time he indicated that discussions were not under way. It was not as if we were two or three months into discussions—or not that we know of, anyway, because this process has not exactly been characterised by transparency or openness or accountability. But barely a month after Mr Paterson made that comment on 22 February to a Senate committee, we find Minister Downer has initialled the agreement.

It is not just the residents of the Sutherland Shire who demand to know. Their mayor, Councillor Tracie Sonda, apparently read about this in the news headlines and is very keen to know about what impact this will have on the residents of her region. She is not the only one demanding to know things such as the following. Why was this treaty rushed? Why was it so hasty? Why is it ‘the two-minute treaty’? Why didn’t it take six months of negotiation? Or, if it did, tell us that there have been negotiations taking place behind the scenes. What aspects have been catered for in this treaty in relation to proper waste management? The Senate has a responsibility to investigate a range of other areas so that not only members of this place but also the residents of the region about to get a new nuclear reactor have some guarantee that this has taken place in an accountable and open manner. The community deserves some explanation from the government. Secrecy and complacency will be a sorry legacy to take to voters later this year.

I noticed one other aspect of this appropriations bill, in relation to the Employment, Workplace Relations and Small Business portfolio, referring to money for the Equal Opportunity for Women in the Workplace Agency—in fact there are no output expenses or totals listed there. That item reminded me of the figures released this week, on 27 March, demonstrating that women continue to fall further behind men in the pay stakes. The fact that women continue to trail men in that area, the fact that women continue to receive lower wages for equal work, is something that all Australians should be fundamentally concerned with—business and industry right through to legislators and of course those women who are doing equivalent work and not receiving equivalent pay.

The average weekly pay packet for a woman in full-time work in May 2000 was $717.70, up from $666.80 two years earlier, according to the Australian Bureau of Statistics. But this is still way behind the $883.80 per week men in full-time work received on average, which was up from $825.20 two years earlier. That means the gap between male and female full-time workers had stretched to $166.10 per week by May 2000, from $158.40 in May 1998. There is work to be done there so that equal pay for equal work is not a mantra that has no meaning in Australia—not the empty rhetoric that it currently is. I hope that all Australians will commit to this particular cause. Governments should be monitoring the rights and entitlements and opportunities for women not just in the workplace but more broadly in Australia today.
Health and Aged Care portfolio. The government has certainly made much of its past and future commitment towards the provision of aged care services in Australia. Unfortunately, while this government has devoted a great deal of time to talking about the importance of providing adequate protection for the almost 135,000 Australians who live in nursing homes, the Howard government has little to show for how it has actually improved or even maintained conditions in nursing homes and aged care facilities generally.

However, unlike the coalition government, the release of Labor’s policy on quality aged care is evidence that we are doing much more than just talking about our commitment in this area. We are actually laying out on the table a set of clear directions on how a Labor government will deliver quality aged care outcomes for older Australians. It also establishes the means by which we will correct the utterly disgraceful situation in aged care at present—which will ultimately be the legacy of Mrs Bishop and, indeed, of the Howard government. Since the coalition came to office just over five years ago, older Australians have suffered badly at the hands of this government. Their treatment, living standards and basic quality of life have gradually deteriorated under the direction of the Howard government when effort should have been taken to ensure that things only got better.

As we have seen over the past few years, waiting times for nursing home beds have increased. It is a sad state of affairs when the average waiting time for a nursing home bed has increased from an average of 29 days to 55 days, an increase of almost 90 per cent. In 1997-98 older Australians spent an astounding 1.14 million days in public hospital beds waiting for a nursing home bed because there was not one available. Even more astounding for this government is that, as noted in the Productivity Commission’s report, many of those people who were waiting for a nursing home bed live in rural and regional areas where nursing home beds are obviously scarce. In any case, the real commitment of this government in delivering on quality outcomes in the Health and Aged Care portfolio is defined by the pathetic statistics that ultimately speak volumes about this government’s record. It is little wonder that the elderly have lost faith in the Howard government’s ability to oversee and maintain the highest standards of care.

In saying that, of course, I do not wish to be accused of scaremongering. I acknowledge that the majority of aged care facilities in this country provide a quality service. However, as this government maintains its backward approach in aged care and persists with its funding cutbacks, the ability of aged care facilities to maintain this level of service becomes harder and harder to realise. In discussing these matters, let me clearly illustrate to the Senate what happens when you mix utter neglect in monitoring and maintenance of standards with severe funding cutbacks. The result is the likes of scandals such as the one we saw at Riverside.

In 1998 the Riverside Nursing Home owed the Commonwealth a substantial debt. The Howard government’s answer to debt recovery here was to reduce care subsidies by up to $25,000 per month. Now it would not take a rocket scientist to predict that the only people to suffer under these conditions would be the residents, and unfortunately that is what happened. As subsidies fell the quality of care fell dramatically. But it gets worse. Despite being inspected in early 1999, the problems that were reported then still remained when the Riverside Nursing Home was inspected yet again later that year. Riverside had failed on all accounts—on clinical care, on pain management and infection control.

But did it stop there? No, it did not. In January last year Riverside residents were given kerosene baths because the provider refused to buy the appropriate medication for an outbreak of scabies. Did the government then act—no, they did not. Although nursing staff did lodge a complaint with the government’s Aged Care Complaints Resolution Scheme the next day, the complaint was deemed to have lacked substance and the facility went unchecked again. As if that was not horrific enough, as we all now know the standard of care further deteriorated in the weeks that followed. Maggots were found in
an infected wound of a resident and complaints continued to flow in. Thirty-one days passed before Riverside was checked by officials. Did the government act immediately? No, they did not. An immediate investigation was judged to be unnecessary and, in fact, the provider was warned a fortnight in advance that an inspection would be carried out.

Following an inspection in February last year, the same failed standards reported at Riverside in 1999 were still found to be in existence following the investigation—a whole year later. To compound matters even further, the provider was then given 14 days to appoint an administrator of his choice and, although Minister Bishop promised that residents would be protected, a second inspection two weeks later found that residents remained at risk. The situation at Riverside is a terrible example of this government’s utterly disgraceful record on aged care and their total disregard for the lives of aged care residents and their families.

There are indeed many more cases of mistreatment and maladministration. I remind the Senate of the situation at the Alchera Park Nursing Home near Gladstone in Queensland. Many will recall the tragedy at Alchera, where three residents had to be admitted to hospital in an appalling condition with gangrenous sores, a large number of mouth ulcers and severe dehydration. Sadly, these three residents later died, but not before several complaints were received—and an inspection had been made months before. What should enrage the community even further is that the Howard government have not learned. They are still heading for another policy and administrative train wreck in aged care and their total disregard for the lives of aged care residents and their families.

In my home state of Queensland alone, the situation is indeed dire. In Caboolture, for example, there is a projected shortage of 460 beds. On the Sunshine Coast, there is a projected shortage of 406 beds. In the Wide Bay region, there is a projected shortage of 171 beds. Finally, on the Gold Coast, the projected shortage for next year is 515 beds.

Overall, taking into account excesses and shortages across the state, there is a projected shortage in Queensland of a massive 711 beds by 2002. And who are the people from Queensland who come into this chamber and are only too happy to sign off on such a damning state of affairs? Who else but the good Queensland Liberal and National Party senators, who are here to represent the interests of their state but who have clearly failed to deliver.

Let us not forget Senator Ian Macdonald—ironically the Minister for Regional Services, Territories and Local Government—who still saw fit to deprive regional areas of the aged care services which they desperately needed and who comes into this chamber and attacks Labor Party senators for not being interested in rural and regional Australia and rural and regional Queensland. It is an absolute disgrace. I should also make mention of Senator Macdonald’s Liberal and National Party colleagues in the House of Representatives, who have sat back whilst the situation has worsened. These are elected members of parliament who purport to represent Queenslanders and Queensland, yet they have clearly demonstrated their complete disregard and contempt for the plight of Queenslanders by allowing this disgraceful situation in aged care to develop. That is why the voters of Queensland and indeed the rest of Australia are deserting the uncaring coalition and voting Labor. Many of them have done so only recently for the first time in their lives. We saw this in the Queensland and Western Australian state elections, and we certainly saw it in the by-election in the ultra blue-ribbon seat of Ryan in Brisbane’s leafy inner west.

Alternatively, there is now a strong and growing recognition of Labor’s plans and its real commitment to quality aged care in this country. Whilst the government’s approach seems intent on destroying the quality of life for those in aged care facilities, Labor’s approach is aimed at actually putting the ‘care’ back into aged care. Labor’s five-point plan—which my colleague Senator Evans, together with the Leader of the Opposition, Kim Beazley, launched last month—puts
words into action. Labor’s five-point plan on quality aged care will ensure that all older Australians will have access to high quality aged care and will safeguard against a repeat of the numerous scandals in this sector at the hands of this government, as I mentioned previously.

The people of this country owe a great debt of gratitude to the elderly. These are the people who have fought in wars, raised families and paid their taxes for much longer than any of us. They have built this country, and in return they deserve, and should expect to receive, the highest standard of care if and when they need it. This plan provides clear and real solutions to many of the community’s concerns about the system currently in place under this government—a system that has clearly failed to implement and maintain appropriate standards of care in nursing homes around Australia.

The first initiative under Labor’s plan is designed to provide for a guarantee of high quality care through a national benchmark of care. Under this initiative, Labor will set the level and quality of care to be delivered for all Australians in any nursing home in the country. As I have mentioned previously, frail older Australians deserve the best of care, and a national benchmark of care under a Labor government will ensure that they receive it.

The second point in Labor’s plan addresses the importance of minimum staffing guidelines in aged care facilities. Labor will seek to ensure that there are enough qualified nurses and carers in place to deliver on the set benchmark of care. While the Howard government has not seen fit to set minimum staffing levels, Labor’s plan means that nurses and carers will have the time to offer the care which they are trained to provide and which our elderly rightly deserve.

The third point of Labor’s plan involves more surprise inspections. Under this strategy, every single nursing home and hostel will be inspected at least once annually. This means there will be no warnings, and those homes with a record of substandard care will be targeted in particular. Such inspections could come at any time of the day or night, because—let us face it—aged care is a 24-hour business; it is not just between the hours of nine to five.

The appointment of an aged care ombudsman is the fourth plank of Labor’s plan for quality aged care. The aged care ombudsman will be put in place to ensure that complaints received regarding abuse or mistreatment are not swept under the carpet but will be investigated without delay. The ombudsman will also be an important foundation for the maintenance and protection of the rights and freedoms of this frail section of our community.

Finally, the fifth initiative in Labor’s plan will be to implement tougher penalties for substandard nursing homes. The system of aged care under a Labor government has no room for aged care facilities that are not willing to provide the highest quality of care. Harsher penalties will ensure that substandard nursing homes will quickly abide by the appropriate standards. As we have seen in Riverside and Alchera Park, the Howard government’s attitude to the provision of aged care has meant that those we should be protecting have been left to suffer substandard care. Labor’s plan for quality aged care will ensure that all homes are up to scratch and that all Australians, regardless of where they live, will have access to the best.

In conclusion, we cannot afford to lose sight of the duty and obligation that the government has in protecting and providing for adequate care of frail older Australians. In addition, we must recognise the difficulty for the families of those who require care and who are often the ones responsible for deciding whether or not to place their loved ones into a nursing home. The decision to place a loved one in an aged care facility can be extremely distressing and difficult. Given this, the government has a significant obligation in giving confidence to those families that, by placing a relative into a nursing home, they are making the right decision. They need to know and be reassured that the health and wellbeing of their loved ones will be best maintained in an aged care facility. It is despicable that the government has been unable to provide older Australians and their families with such confidence.
Certainly, there are good facilities employing many hardworking and professional nurses and carers that make them so. But the Howard government’s record on aged care has been wanting from the start of its term in office. When the time comes, the people should and will remember the coalition’s record when they cast their vote at the next federal election. Only a Labor government can truly deliver quality outcomes in aged care, and our five-point plan on quality aged care lays the foundation for the positive outcomes that can be expected in aged care under a Beazley Labor government.

Senator CROWLEY (South Australia) (10.55 a.m.)—In speaking to the Appropriation Bill (No. 3) 2000-2001, the Appropriation Bill (No. 4) 2000-2001 and the Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001 today, I want to pick up on some critically important issues that have been a part of my concerns for a long time but in particular since reading articles this year in the Australian and the Age, which have very succinctly addressed the question of workplace death—and the cost of that death—and injury.

In the Age on Thursday, 22 March, a mother writes about what happened when her 18-year-old son was killed on his first day at work. I do not believe I can say it any better than she does, so I will quote from this article:

Anthony was on his first day at work at Drybulk Pty Ltd in Coode Road, Footscray. Drybulk operates a bulk store for livestock feed, and the grain is dumped in big sheds and then loaded into trucks by front-end loaders. Around the perimeter of the building stood five-tonne concrete panels, designed to stop damage to the shed walls. The panels were free-standing—despite at least one panel having fallen about a year earlier and concerns about the panels vibrating as trucks went past on the road outside.

It was one of these panels that crushed my son to death ...

The company and the manager were charged with breaches of the occupational health and safety act, which has maximum penalties of some $250,000. This woman writes:

All my hopes for any form of justice for Anthony were crushed on Friday, March 9, when Judge John Barnett of the County Court gave his finding: fines of $50,000 for Drybulk, $10,000 for the managing director and $5,000 for the supervisor.

The heading of this article is ‘My son’s bosses paid just $65,000 for his life’.

There are a number of terribly important issues in this whole question. First of all is the number of people who die at work each year—to say nothing of the number of people who are injured and then suffer permanent, long-term or even short-term loss. I will come back to the cost of those later. The second thing that is raised so importantly and passionately by this article is the impact of a death at work—the loss of life for that person and the family, in this case: ‘My 18-year-old son had been killed on his first day on the job.’ He went to work looking forward to all sorts of things ahead of him.

A young man of 18, on his first day at work, was crushed to death—something that should never have happened—by a slab of concrete about which there had already been safety concerns raised. One had fallen before yet still nothing much was done. At the least that should have been a warning. That should have probably been evidence of negligence or whatever. But in the end, for whatever reasons, these people were fined. The price of a son at 18 on his first day of work, with his whole adult life ahead of him, was $65,000.

It is no comfort to the woman who writes this article, Ms Jan Carrick, that I know of other stories, and she does too. A young man lost his life when he was asked to go out the back and help empty the acid from batteries with no instructions about any hazards, no warnings about safe practices or anything. That is also the case in this particular situation I am reading about here. There were no instructions and no warnings. The life of the young man who was working with batteries was valued at $1,000. This is an appalling state of affairs, when people can actually understand one measure of the value of a life in the workplace. In this article, it is $65,000 from three people. In others I know of, some were $1,000 and some were as low as $500.

There have been efforts over the years to try to address this question of safe practices in the workplace. Indeed, I have here from
the library the Bills Digest research on the Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2000. I do not want to speak to that because I do not think it is on the Notice Paper yet, although I think it will be very soon. In the preamble there is a list of a number of articles addressing this topic produced by people like the Productivity Commission, the Heads of Workers’ Compensation Authorities and the Workplace Relations Ministers’ Council. We have reports from 1993, 1995, 1997, 1999 and 1999-2000. When I first arrived in this place—and that is a while back—

Senator McGauran—It was a good day.

Senator CROWLEY—Thank you very much, Senator. I will take that as a praiseworthy interjection.

Senator McGauran—There’s a better day coming.

Senator CROWLEY—You are unkind at this hour of the morning. I am talking about something like the cost of death in the workplace, Senator. I do not mind a little flippancy, but let us get back to being serious about this. When I arrived here, the minister with responsibility for this issue was one Ian McPhee, whom your side paid out powerfully during his life in this parliament; you never paid him any justice. He was one of those ‘wet’ Liberals you took no notice of. He would tell us that, in those days, the figures were something like 300 deaths at workplaces during the year, at a cost of some $4 billion. In no time at all Ralph Willis took over the portfolio and looked at this same important area, and the figures more or less doubled—to about $9 billion to $11 billion, as a crude assessment.

There was some doubt about how many people had died in the workplace—New South Wales said they had 300 deaths each year and Victoria said they had 300 deaths each year. Most of us would say that you add up when you get to the Murray and that that would be 600 people who had died in the workplace each year. Still nobody knows, accurately, what those figures are. The latest figures from the Productivity Commission report in 1995 are—about $25 billion. We know that those costs include the cost of insurance premiums and payouts, the opportunity costs of the loss of workers and the finding and retraining of new workers.

These figures mean that something like 600 people per year in Australia are killed at work or while commuting to or from work. The latest figures are no longer the $4 billion or $5 billion that Ian McPhee used; the figures from the Productivity Commission report in 1995 are—and this is about how accurate we are with the numbers of people who have died—somewhere between $21 billion and $29 billion. I am not making this up; the figures of between $21 billion and $29 billion are the Productivity Commission’s figures—about $25 billion. We know that those costs include the cost of insurance premiums and payouts, the opportunity costs of the loss of workers and the finding and retraining of new workers.

If I were involved—and people seriously are—in having a look at these costs, I would see that the figures are there and that the evidence is there, so why is it that we still have more or less the same number of people dying in the workplace as 20 years ago, or thereabouts? I can say to the Senate that the number of people dying may be the same but that what they are dying from is different. There has been a long-term decline in the number of people dying from injury at work. That has had to do with a long campaign to make workplaces safer and also the changing nature of work. What is happening, though, is that more people are now dying from the poisons from associated things—from disease, I suppose, may be a better way of saying it—although that is a matter for debate in the forthcoming legislation. There has been a shift in the causes of death of people in the workplace. The figures from the Productivity Commission are pretty grim: the cost to industry is something like $25 billion—let us go for the middle of the range. An article in
the Weekend Australian of Saturday 17 March 2001, written by David Uren, entitled ‘Cost of workplace accidents soon adds up’ states:

Prevention is a better option than huge payouts.

For every $1 million paid in wages by Alcoa World Alumina at its Victorian operations last year, it spent $47,500 in claims for work-related injuries. That is almost 5 per cent of its wages bill.

Can you imagine what Mr Abbott might want to say if that were not due to injury, if you actually had those costs of five per cent of your wages bill and you were not seriously addressing it if that were due to some other area? I can see the minister going ape over it. But here are the figures: the equivalent amount of five per cent of the wages bill is actually being spent on claims for work related injuries. I think it is not unreasonable to say that a large amount of that money could be saved by preventing accidents and death in the workplace. There are very different figures for different industries: by contrast, BHP paid out less than one quarter of this amount, while Shell paid less than a tenth. The article further states:

Corporate performance on health and safety varies enormously. Although some industries are inherently more hazardous than others, this does not explain the range. Several years ago, BHP conducted an internal review of its health and safety performance and found that while some of its coal mines had the worst records, they were matched by some of their administration offices. At the same time, both coal mines and offices were among the best performers.

That is reasonable evidence that it is not just in dangerous workplaces that there will be accidents and injuries of workers. Numbers add up, as this article says:

Data from companies that self-insure for worker injury in Victoria show Woolworths has $58.7 million in outstanding claims, while Coles Myer has $42.6 million. In the three months to June 30, 2000, Coles Myer was making weekly compensation payments to 599 employees while Woolworths was making payments to 351.

I raise these points because this is an area that, for me, is mainly focused on the pain and suffering, the awful loss, when a person dies in the workplace. Equally, if a person is injured in the workplace, our focus must be on the rights of that worker, the safety of that worker, the assistance for the family and addressing the pain and suffering. But not long behind that come the cost to industry and, as I have already said, the insultingly small payouts against the cost of a human life.

One of the major problems here is the fact that this is another Commonwealth-state problem. A large amount of the compensation and worker safety issues are a state government matter. But we do have a National Occupational Health and Safety Commission and we also have the Commonwealth with its rehabilitation service and its own workers equally involved in this area, which leads to the usual messiness between Commonwealth and states and, so far, to dragging the chain on doing the sorts of things that would make a difference here.

There are some very important points in an article by Michael Bachelard in the Weekend Australian on Saturday, 13 January 2001. This article starts with a report of a man who fell to his death at a building site in the Melbourne CBD. Bachelard goes on to say:

WorkCover authorities keep figures of the deaths they compensate, but those figures exclude self-employed people, those without dependants, those who make no claim for whatever reason.

Coroners’ courts keep the files on traumatic deaths, but they do not extract the figures of how many of those deaths happen at work. A long-promised database, the National Coronial Information System, is still not up and running. The National Occupation Health and Safety Council has done two surveys of those coroners’ records, but the most recent relates to figures 10 years old. It estimated an average of 597 traumatic workplace deaths a year in Australia—11 per week.

So at least we are getting some kind of consistency with those figures—they are the same as those I read earlier. The article goes on:

Men are 10 times more likely to die than women—

that is, in largest part, because they are working in the higher risk areas by far—

alcohol contributes to 4 per cent of fatalities and, in construction at least, Christmas-New Year is the most dangerous time—
That is because there is no adequate guarantee that people who leave the workplace to attend a Christmas party do not return to the site. Indeed, there is some considerable evidence that they do and that lack of safety supervision in the workplace may contribute to those deaths.

A woman called Liz Mobayad took action after her father died in a construction accident five years ago. She set up Industrial Deaths Support and Advocacy Inc. She has done this with no government funding but by raising money by selling books, videos, etc. Her group attends accidents, counsels workmates and families, and lobbies hard for inquests. One of the things she reports is the shock to other workers when they see somebody who has had a violent death in the workplace. Any death is shocking, but if you are working in the construction industry, for example, and—as this article reports—somebody drops 12 storeys to their death, it is not just the shocking death of that worker; it is the shocking impact of that death on all the fellow workers, to the point where some of them are unable to return to work for many months. Liz Mobayad does all the interesting things I mentioned to support people in getting some kind of justice after an injury or death in the workplace. She has some proposals which I would like to read from this article onto the record, because they are very constructive. The article states:

She wants courts to issue fines to negligent companies that properly reflect the value of a human life. Fines have gone as low as $500, she says, and average an unacceptable $22,000 ...

Mobayad wants Victorian WorkCover to reinstate the inspectors with experience in the construction industry who were sacked by the Kennett government to save money.

She wants it made illegal for companies who cause a death to go bankrupt then re-emerge days later under a different company name, having escaped liability.

The article goes on to say:

A West Australian company went bankrupt a week after one of its workers died on site, and started up the next day under another name, doing another job in Perth. Three years later the contractor pleaded guilty to an unsafe site, and was fined $7000.

Mobayad wants inquests so families will have some sense of closure. And she wants employers to stop dangerously overworking employees to meet unrealistic deadlines.

I think they are very reasonable recommendations. It will be interesting to see whether any of them are picked up. In the article in the Age on Thursday, 22 March, Jan Carrick—the person I first quoted—says:

I applaud the Bracks Government’s plan to introduce a bill that will include a new crime of industrial manslaughter and to lift maximum fines for corporations from $250,000 to $600,000.

I started in this place talking about occupational health and safety because that was one of the major areas of concern where I worked, in a community health centre amongst small factories in South Australia. It has been a continuing issue of mine and I find it very shocking that after this length of time the figures are really no better. People still die from fairly preventable causes in the workplace. But what has happened is that the cost to industry, to families, to the taxpayers, to this country, has blown out massively. It is time, I believe, that all those reports to government were acted on or more seriously addressed. What is the point of writing reports with recommendations if they are not acted on and implemented, if we do not see some changes in the workplace instead of blaming the workers and going into court to argue that their claims for wage justice are too much? Maybe this government would do much better by actually campaigning for occupational health and safety in the workplace, saving itself massive dollars, saving industry massive dollars and saving the lives of workers. Then the government will not be seen—as they are—as a mean, spare, unkind government.

Senator WOODLEY (Queensland) (11.15 a.m.)—I thank Senator Crowley for that speech because I think it really does raise serious issues about occupational health and safety. It is interesting that I actually want to follow on about another occupational health and safety issue, an issue that is to do with aircraft. For the purpose of doing that, I want to make my speech against an item in the Appropriation Bill (No. 3) 2000-2001 and the Transport and Territories Legislation.
Amendment Bill 1999. This bill provides for the winding up of the Australian National Railway Commission. It underlines the policy vacuum that we have in this country in the area of transport, in the sense that we have no overall transport policy from any of the political parties. It is a vacuum and one that ought to be filled as quickly as possible. Neither this government nor this nation has an overall transport policy and that is a very serious lack indeed.

But there is also a vacuum in the delivery of transport safety and that is what I really want to address today—in this case, not simply safety in terms of railways but safety in terms of air transport. I note that the appropriation bill is about winding up the Australian National Railway Commission, something which the Democrats were always strongly opposed to. I note also that moves to build the railway from Alice Springs to Darwin are now foundering and clearly without an overall national transport policy that involves road, rail, air and sea—we are going to have these one-off projects which do not fit into any kind of overall policy at all and of course we are going to have difficulty in getting support for building transport infrastructure which, in a sense, seems to go nowhere.

Let me return to what I believe is an even more pressing transport issue, the issue of air safety—in particular, the issue of cabin air quality on the BAe 146 aircraft. Most Australians would know by now, because of the media and the publicity given to the Senate inquiry into this, that these British Aerospace 70-seater jets—of which there about 30 in Australia and hundreds more overseas—have got a design flaw. This flaw is in the engines and the air-conditioning system and this flaw means that toxic oil fumes from the engines are leaking into the air-conditioning and being inhaled by flight crew and passengers.

The Democrats initiated—and were very well supported by the other parties in this place in conducting it—a two-year Senate inquiry into this issue which found that the contaminated air was causing short, medium and possibly long-term illness among flight crew, that there was also a safety issue due to crew being incapacitated and that the planes needed to be fixed. There was huge amount of disturbing evidence to the inquiry that several pilots had become incapacitated by the contaminated air while flying planes and that hundreds of flight crew were ill from inhaling the fumes. CASA, disturbingly, said there was no problem. British Aerospace and the two major airlines, predictably, said there was not a serious problem. So far, the minister for transport, alarmingly, has said nothing.

The Senate report, which had cross party support and unanimous recommendations, found that there was a major problem and made a range of recommendations to fix it. Just to recap, the committee recommended that CASA reassess its requirements for monitoring the operations and cabin and cockpit air quality of the BAe 146 aircraft operating in Australia and, where necessary, introduce regulations under the Civil Aviation Act 1988 specifying a number of things, including that there should be a specific national standard for checking and monitoring the engine seals and air quality in all passenger commercial jet aircraft and that they should put in place operational procedures for the BAe 146 which pay particular attention to the need to ensure aircraft are withdrawn from operational flying and serviced to ensure any operating faults resulting in oil leaks, fumes or smoke are immediately repaired. CASA was called on to review the registration of BAe 146 aircraft operating in Australia, and it was recommended that renewal of air operating certificates and registration of the BAe 146 be subject to completion of those recommended modifications as a condition for continued registration of the aircraft.

The committee also recommended that the minister for transport request the Strategic Research Development Committee of the National Health and Medical Research Council to set up and undertake an appropriate research program on the effect of exposure to aircraft cabin air on air crew and passengers. The committee noted that several flight crew lost employment due to ill health which they attribute to fumes exposure and that their employers have opposed and may have unnecessarily delayed the settlement of
employees’ compensation and insurance claims. It also recommended that the issue of cabin air quality be reviewed by the National Occupational Health and Safety Commission with a view to including aerotoxic syndrome in appropriate codes as a matter of reference for future workers compensation and other insurance cases. The minister for transport has had months to respond to this report but sadly, despite being assured that work was being done, the Australian flying public has heard nothing. The deadline for the government to respond to the Senate report came and went in February but still there is nothing.

This is not good enough. The Democrats understand that the government is working in good faith to implement the recommendations of the Senate inquiry, but we are now past any reasonable deadline. This is a matter of air safety and passenger and crew health and must be addressed urgently. While the government has been delaying its response to the report, incidents of fume contamination on the BAe 146 aircraft continue. Flight crew continue to be laid off due to ill health without workers compensation and passengers are being affected.

This is an appalling situation. The government has neglected its duty to protect air travellers. The airlines are neglecting their duty to protect crew and passengers. The manufacturer has neglected its duty to fix the problem. Most seriously, the Civil Aviation Safety Authority has neglected its duty to fix this safety problem. I am informed by my contacts in the aviation industry that the aviation authorities of both the United Kingdom and Canada have issued official communiques to flight crew on the fumes problem in aircraft. The communiqué of the Civil Aviation Authority in the UK said:

There have been incidents where smoke or fumes have entered aircraft and pilots have been affected to the extent that their ability to operate the aircraft may have been impaired. The first action in the event of smoke or fumes in the flight deck should be for flight crew to don oxygen masks.

An interim air safety recommendation from the Transportation Safety Board of Canada said:

In situations where odor/smoke from an unknown source occurs, the decision to initiate a diversion and a potential emergency landing must be made quickly.

On the other hand, what do we have from CASA here in Australia? We had denials that there was a problem. We do not have any warnings to crew or passengers. Shouldn’t CASA be telling Australian aircrew to use oxygen in the event of fume contamination? And what about passengers? These questions must be answered.

In the meantime, I have been informed by flight crew that the incidents continue to occur. This year an Australian flight attendant was diagnosed with chemical burns to her lungs after being exposed to fumes in an aircraft cabin. I have also been informed by one medical practitioner that this doctor is treating 20 flight attendants and two pilots who are gravely ill as a result of their exposure to fumes but continue to work because they cannot get employment elsewhere. Some are too sick to work and are on leave without pay. And I have been informed that one regular passenger on these planes is also gravely ill but cannot get insurance because the problem of aerotoxic syndrome has not been recognised. I have also seen statements from the airlines that the Senate report was not directed at them, so therefore they will not be taking action.

The fact that the airlines and the aviation authorities have known about and covered up this problem for decades and continue to selectively use doctors and insurance companies to cover up the problem and deny compensation to flight crew is an outrage. This is an international problem, and Australia is being left behind in terms of fixing it up. We have a good air safety record in this country, but we must not put it in jeopardy by not addressing problems such as these. And that is not to mention the injustice suffered by hundreds of flight crew affected by these toxic fumes.

So I am here today to say to the Minister for Transport and Regional Services, John Anderson, and to the Civil Aviation Safety Authority and to the airlines, ‘Shame on you. Australian people are being injured while you deny the problem and dither around.’ I
call on all those responsible to take action now and to respond to the Senate report. It lays out what needs to be done. It should be done. I will continue to monitor this situation, and we will continue to publicly raise incidents of air contamination in aeroplanes. There is a higher public awareness of these issues now that the problem of deep vein thrombosis has been given so much publicity. You cannot bury your heads in the sand any longer. We need to face the problem and take action.

Senator MURRAY (Western Australia) (11.27 a.m.)—I rise to speak on the Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001, Appropriation Bill (No. 3) 2000-2001 and Appropriation Bill (No. 4) 2000-2001, which cover additional expenditures, planned expenditures, additional appropriations and, indeed, additional revenues for agencies to meet. In doing so, I want to comment on some of the consequences of government expenditure. They are affected obviously—and it is an obvious point—by the revenue expectations of government. Unless those revenue expectations are fulfilled, appropriations, if adhered to, result in deficit funding. I do not think that is going to be a consequence of these bills, and that is the theme I really want to pick up on today. I make no apology for repeating some ideas and themes I have used before because they are still relevant.

The pressure is on for the government to spend more money on education, training, research, health, the environment, infrastructure, industry programs, tax relief, defence and many other issues. Unfortunately, we are in a position of limited knowledge as to what extra is affordable. The ABS—the Australian Bureau of Statistics—and other statistical sources have real lags in providing this key information. The ATO—the Australian Taxation Office—however, do know from income tax returns and from the second set of BAS returns what the government can expect in revenue. But the parliament, the public and the media are still in the dark. An indication of what the new tax system and the Ralph reforms, such of those that have been introduced, mean in terms of actual revenue expectations is needed. We have simply had massive changes in the revenue design by the government and we really are in the dark as to the true picture.

Just about every tax paying entity has now given in a return of one sort or another: a business activity statement, an instalment activity statement or an income tax return. Based on other countries’ experiences, the Democrats do expect a GST windfall, which could remove the requirement of the Commonwealth to top up all or some of the states, depending on the size of the windfall. Under these circumstances, the Commonwealth would get money back. The current Commonwealth-states agreement, which includes the top up, is based on a conservative forecast of GST. Why do I say it is conservative, when the Treasurer and everybody else are trying to deny that it is anything other than realistic? I say it is conservative because it is the tradition of Treasury not to overstate revenue. What is more, there are precedents where Treasury have understated the effect of large tax changes. Famously, they massively understated the expected income from fringe benefits tax and capital gains tax. So on precedent, it is quite likely they have done the same with regard to the GST and other components of the new tax system.

On current budget forecasts, New South Wales will not be better off until 2007, but if the GST did, for instance, raise 15 per cent more than forecast, New South Wales along with all other states would be better off in this financial year. Why might GST revenue be higher? GST registrations were 35 per cent higher than forecast. Australian business number registrations have pulled hundreds of thousands of new tax targets into the net. In Canada and New Zealand—the most recent additions to the two-thirds of all countries that have a GST—the GST forecasts were between 20 and 40 per cent less than realised. They too had very conservative forecasts.

A 20 per cent underestimate of GST in Australia would mean a budget boost of $2.7 billion to the Commonwealth government saved from the top up that they are required to give to the states, and an extra $2.1 billion to the states. A 30 per cent underestimate of GST revenues would leave the states $4.5...
billion better off, which would allow for significant extra expenditure by the states on education or infrastructure. One of the reasons that the states are so pleased with the new tax system is that it will deliver to them a certain revenue flow which will enable them at last to start spending in areas which they were forced under previous taxation regimes to ignore. At last they will be able to spend the money that is needed by our society and our communities.

Surpluses result when revenue realised is greater than government expenditure. Surpluses are the new sign of orthodox fiscal responsibility. Surpluses now represent the higher bar. It is a higher bar because a balanced budget means getting expenditure and income to balance, while surpluses require income to exceed expenditure. There are a few good reasons for supporting the new orthodoxy of surpluses. Firstly, a surplus means the government is on top of its revenue stream and is prudently ahead of government expenditure expectations. However, as Labor have rightly pointed out and as other Democrats have said in the past, you should as far as possible look at the issue of surpluses over a cycle and not necessarily the immediate financial year. That does allow, in times of lower economic activity or lower economic growth, for the use of prudent deficit funding. However, deficit funding which is significant and cannot be recovered ultimately ends up in a black hole. So you have to be careful about advocating and using deficit funding.

Secondly, even with the best will and techniques, Treasury just cannot estimate expenditure and income accurately, and a standard error of a few per cent will always make a balanced budget hard to achieve. In a budget Australia’s size, the standard error will mean at least a couple of billion dollars, and that might be on the downside. So prudent budgeting needs to err on the income side and budget for a surplus. Anyway, as this government knows and as the previous government found out, there are always unexpected costs, and surpluses can act as a contingency reserve.

Thirdly, the arrival of accrual accounting in government finances brings with it a private sector perspective. In private sector parlance, a successful company produces profits; for governments read surpluses. Ergo, the financial markets like surpluses for successful governments, and that matters from the perspective of our international credit rating, particularly if there are large current account deficits to account for.

However, while industry sectors have established benchmarks for what is an acceptable, good or excellent profit picture for companies, the markets have not done the same for governments. So the Treasurer gets little guidance as to what size of surplus is desirable. At the lower end it is obvious: a surplus should at least cover the standard error expected in budgeting, so it should be at least a few billion dollars. What about the upper end? Some help can be gained from private sector analysis. It depends on what you want profits or surpluses for. It depends on how you will spend your profits or surpluses. Using the company analogy, companies separate capital expenditure budgets from operating budgets; operating budgets are catered for by the profit and loss statement, and capital expenditure budgets are usually catered for by a judicious mix of equity, debt and reserves adjudicated by the gearing ratio and adjusted for cash flow.

When companies make profits, they distribute some as dividends, or if they are awash with cash, they might repay capital to their shareholders or reduce their debt. The government equivalent of these activities is debt reductions, income tax cuts, payments in kind as a greater than expected expenditure on essential services, or there may be a mix of all three. Prudent companies put aside a portion of profits on a cumulative basis as reserves. They do this for balance sheet health, for acquisitions or for lumpy expenditure—that is, large expenditures which come around every so many years, such as periodic and expensive replacement of expensive plant. Governments have the same needs, with high periodic investment required in areas such as infrastructure or defence.

In arguing the case for the size of surpluses for this financial year and for future federal budgets and what is to be done with
them, we need the media in particular, but also politicians, to exercise commonsense. Apart from the not inconsiderable merit of showing good fiscal managerial skills through the maintenance and regular achievement of a modest budget surplus, what should we be doing with any surplus that is not modest? We already have the fourth lowest level of public sector debt in the OECD, so in the Democrats’ view lowering our debt is not a high priority. Our gearing as a country is not at risk from a public sector perspective. If there are large surpluses in prospect, the question would be: do we spend them or keep them? In the Democrats’ view, we badly need to lift our level of ongoing investment in key areas such as education and the environment. On the latter, global warming and salinity are scaring many, many Australians. Then there are the periodic, big ticket, lumpy expenditures, such as defence or rail. Rail, in particular in this country, badly needs additional investment. We have heavy contingent liabilities, such as Commonwealth superannuation, which may need a prudent level of reserves to be set aside instead of being funded from current income.

If we look set, as a result of tax reform, to deliver permanently big surpluses in the future, then we should look at how those surpluses should be dealt with. One of the ways you can use those excessive revenues is to give further tax cuts. If that were to happen, the Democrats would stress that those tax cuts should go to those at the bottom and that a $1 cut to the threshold tax level benefits rich and poor by the same amount but has far more impact on the poor. If Australia does achieve a substantial surplus—and I recognise it is an ‘if’, especially in view of a softening economy—the Democrats have put in their bids over the last year; but of course the government of the day will be making the decisions. Our bids over the past year included, in education, to reverse federal higher education cuts by $1 billion and to improve government schools by another $1 billion. I remind you that to restore Australia to the level of GDP expenditure that they enjoyed briefly under Labor, you would need to lift expenditure on education by $3 billion. Democrats are also interested in bringing forward the abolition of the bank accounts debit tax from its planned year 2005 start to 2002. That would cost $1 billion. The Democrats are interested in investing in urgently needed infrastructure and upgrading for public hospitals and for dental programs. Democrats are interested in having the states absorb the GST on public transport fares rather than passing it on—and that cost is half a billion dollars—or invest in environmental repair to expand Landcare and to fund the retention of existing vegetation to prevent further land degradation, which cost is another half a billion dollars.

We reflect, in our views on expenditure, the reasonable needs of Australians as expressed in budget submissions and other submissions to government. Revenue from government is of no use unless it is either used for the common good or repatriated back to Australians themselves. We think there are substantial areas of expenditure in the common good which are still absent from this government’s activities and which, in any government’s activities, can only be afforded if the tax system in fact delivers that revenue—but delivers it by a system which lowers the rates, broadens the base and fulfils the essential elements of equity, simplicity and efficiency. There are huge arguments in the parliament about that and about where the emphasis should lie, and there will continue to be. But the fundamental issue is always the same: can Australia afford the programs that its citizens and residents want, and how will it afford them? We believe we need to generate as far as possible the affordability from internal revenues rather than from deficits.

So we will need to hear from the government what they believe we can afford, now that the new tax system is in place. I sense from their willingness to spend money that they are not under the pressure they would like us to believe they are under. I sense that they have a cushion; and they would only know they have a cushion because of the ATO telling them what the income tax returns, the BAS returns and the IAS returns are looking like. So we are all hanging out to hear the news too, but I suspect that the gov-
ernment will keep us in the dark and wait until the May budget to tell us. I hope, as I am sure Senator Cook does, that they will tell us before that.

At the back of all things, when I look at the body language of the Prime Minister and the Treasurer when they have been spending additional money in various areas—some of them demanded by the opposition and by us—and responding to community pressures, I get the impression that these are people who know that they have a bit in reserve and therefore have been able to afford what they have done so far. What I want to know is how much more is there, because then we need to put in our bids to really get education back up to five per cent of GDP and to get expenditure in the prime areas that this community needs it. With that, I conclude my views on these appropriation bills.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (11.45 a.m.)—We are debating Appropriation Bill (No. 3) 2000-2001 and Appropriation Bill (No. 4) 2000-2001. The program had us down to debate the Excise Tariff Amendment Bill (No. 1) 2001 and the Customs Tariff Amendment Bill (No. 2) 2001, but the program has been switched this morning by the government. Those excise bills are matters of major public controversy because, as the front page of the Sydney Daily Telegraph reported yesterday and again today, they contain the Prime Minister’s backflip in reducing the excise payments on petrol but, at the same time, they include the Prime Minister’s determination to push ahead with indexing excise on beer and alcoholic drinks. He had put these two things together in the same bill. Those excise bills are matters of major public controversy because, as the front page of the Sydney Daily Telegraph reported yesterday and again today, they contain the Prime Minister’s backflip in reducing the excise payments on petrol but, at the same time, they include the Prime Minister’s determination to push ahead with indexing excise on beer and alcoholic drinks. He had put these two things together in the same bill. The government said to the House yesterday, ‘You have to vote for both of them; you can’t separate them.’ We were to debate that today, and we had foreshadowed that we wanted a separate vote on each issue. We wanted to vote for what we have campaigned for—a reduction in excise payments on petrol, because petrol prices are just too high; they are hurting ordinary Australians and hurting country Australians most of all, and this is not the time for the government to take an extra rake-off from petrol.

We had a private member’s bill, moved both in the House by Kim Beazley and in this chamber by me, to achieve that result. So we want to vote for that when that bill gets here. But we also believe that the excise adjustment should not be made to beer, because the Prime Minister promised that ordinary beer would not increase by more than 1.9 per cent because of the GST—and he said that on the John Laws program before the last election and on the Alan Jones program before the last election. Before the last election, according to Eoin Cameron, the Liberal member for Stirling in Western Australia defeated at the last election, the Prime Minister said that in the party room as well. Beer has gone up not by 1.9 per cent but by more than 10 per cent.

We believe that we should be entitled in this chamber to vote not to increase the tax on beer further; and the government bill which proposes to do that is now tied up in some sort of backroom discussion with, we understand, the Australian Democrats. As I said earlier today, there is an element of déjà vu in this. We remember vividly that last year the GST was being opposed in this chamber, the Democrats were supporting the opposition of it, there was a backroom meeting between the Prime Minister and Senator Meg Lees, and she emerged from that meeting shaking hands with the Prime Minister and delivering a GST on the Australian community. I hope that this backroom meeting does not result in a backdown on the determination that the Democrats have publicly expressed to join us in curbing unnecessary price increases for beer drinkers in Australia.

But that is a debate that we will come to a little later in the day or, if time does not permit, in the next sitting week. Let me address some remarks to the appropriation bills. These are bills that provide funds to the government departments in order for the government to function and they are bills that we will vote for. But it is important in considering these bills to turn our attention to the wider state of the Australian economy. All Australians have recently heard the Prime Minister say that the Australian economy is fundamentally sound, or they have heard the
Treasurer say that the fundamentals of the economy are sound. If only you could believe them. We would wish it were true. If it were so, fewer people would be facing unemployment, fewer businesses would be facing bankruptcy and the general economic downturn we are going through would not exist.

The fundamentals of the Australian economy are not sound. That is unfortunate; we would rather not see that. But it is the case that this government has delivered the lowest Australian dollar on record, trading below 50c to the US dollar. That is a fundamental of the economy. That is also a record in the history of this country and it is not sound. It is not a good sign for the economy. We also now face the highest level of foreign debt that Australia ever has had to shoulder. We recall before the last election the Prime Minister had the debt truck running around the country trying to highlight that foreign debt under Labor was too high. Foreign debt under Labor, prior to the federal election when Labor was defeated, peaked at $185 billion. What is foreign debt now? It is $301 billion. When the Prime Minister complained about the level of foreign debt in campaigning against the Keating government, it was $185 billion. Now he says the fundamentals of the economy are sound and it is $301 billion—$15,000 per man, woman and child in this country! That is one question that we can nail him on.

But I go to another issue that I think most Australians have a perfect personal knowledge about; that is, the level of taxation they pay and, in particular, the impact of the GST on spending patterns of families—and the cost impost that is imposed. The government is fond of saying in question time in response to any question on the economy, ‘We—that is, the government—are a small taxing party; you—Labor—are a big taxing and big spending party.’ In politics I guess the truth is what people believe, not what the facts are. If people believe it, then that is the truth. This is the image that the government is trying to spread: Labor is a big taxing, big spending party; the government is a small taxing, small spending party. The absolute lie to that was put in the Bulletin on 13 March this year, just prior to the Ryan by-election, by Max Walsh a well-known, longstanding conservative economic commentator in Australia and the editor of the Bulletin magazine. His article was headlined ‘The tax-and-spend Liberals’. The subheading was an excerpt from his article, and I will read it:

‘By the time Costello brings down his budget ... we will see that Howard is not only the largest taxer in history but also the biggest spender’

He starts this article—the article ‘The tax-and-spend Liberals’—by saying:

If the voters in the Brisbane electorate of Ryan behave rationally, they will vote Labor next weekend. The Howard-Costello government has treated them very poorly.

Their loyalty in perpetually returning a Liberal to Canberra has been repaid with fiscal policies which have actually—and, in one notorious case at least, downright stupidly—discriminated against them.

In this article, Walsh—I repeat, a conservative economic commentator, not someone traditionally known to be a Labor supporter; certainly not a Labor supporter—goes on to say:

In fact the Howard-Costello government is the highest taxing government in Australian history. The chart pictured is derived from data collected by Jim Hoggett, the director of economic policy at the Institute of Public Affairs and records the growth of all government spending—as a percentage of GDP—over the past four decades.

If we look specifically at the Commonwealth, then its tax collections this year (including the GST) will reach 25.7% of GDP.

He goes on to say:

The Hawke government’s biggest tax grab occurred in 1986-87 when it went into its anti-Banana Republic strategy. That amounted to 24.4% of GDP. As for the profligate Gough Whitlam, well, in 1974-75 he managed to lift taxation collection to 21.1% of GDP.

The image: Whitlam was a big taxer, big spender. Under Whitlam, tax reached 21.1 per cent of GDP. On the figures provided by Max Walsh, under Howard it is at 25.7 per cent of GDP. This article concludes, referring to the Howard government:

Its expansion in expenditure will almost certainly match and probably top the Whitlam years.
This is a significant point: in growth terms, it is much bigger than Whitlam ever achieved but, in terms of how quickly it has increased, it will outscore the Whitlam government as well. If the Whitlam government is supposed to be what the Liberals mean when they say that Labor is a ‘big taxing party’, then, on the facts by a conservative economic think tank, and by a table reproduced in the Bulletin magazine showing what the tax share has been from 1959-1960 through to the year 2001, the biggest taxing government in Australian history is—as Max Walsh, the conservative economic commentator, says—this government. Why? Mostly because of the GST—not exclusively, but mostly because of the GST.

It is worthwhile going back to prior to the 1998 election, in the period of the lead-up to the enactment of the GST tax itself, recalling what the promises were that the GST would do for the Australian economy and, now that we have had two quarters of experience of the GST, seeing what the outcome has been. Let me do a little compare and contrast between promise and outcome to get an idea of what the picture is.

The first—and, in my judgment, the most fraudulent—allegation about the GST was that it would be good for the Australian economy. In the last quarter, the three months ending the year 2000—the December quarter, for statistical purposes—the Australian economy contracted by 0.6 per cent. That was the second quarter after the introduction of the GST. The Deputy Governor of the Reserve Bank, a noted economist in Australia and a responsible officer of the central bank, in a speech in Tokyo last week, blamed the GST for that contraction. The figures from the Bureau of Statistics show that the building industry has gone south, dragging a lot of other industries with it, and that the Australian economy has shrunk—a direct consequence of the GST. It is possible now, as we stand here today, that the Australian economy is in actual recession. You require two quarters of negative growth, and we are in the second quarter. The state of the economies of the US and Japan, major trading partners of Australia, suggests—60 per cent of economists believe—that we most likely are in actual recession now. Was the GST good for the economy? No, not on those figures.

The other statement was that the GST would be good for jobs. Since July, the number of people in full-time employment in Australia has actually fallen. Good for jobs? Not if are you seeking full-time employment; there are fewer jobs. The GST would boost investment, the government said. In the first six months after the introduction of the GST, the last six months of last year, business investment in Australia underwent its biggest fall since 1983. The government said that the GST would be good for the Australian dollar. I should just rest my case. The dollar is below US50c. Is that good for the Australian dollar? No, it is not, and it imposes higher costs on imports and infuses inflation into the economy.

Senator McGauran—Good for exports.

Senator COOK—‘The GST was good for exports’ is the allegation from the government. The national accounts show exports from Australia fell by 2.2 per cent for the December quarter. That was the second quarter of the GST. Good for exports? Not good for exports. Exports fell, when the dollar was low and the prices of Australian goods in foreign markets were cheaper. At a time when exports ought to have gone up, they actually fell. The GST good for exports? Not at all—not on the figures.

We were told that the GST would not cause an increase in petrol prices. Everyone is entitled to a hollow laugh right now, because petrol prices have gone through the roof. Because the GST is a 10 per cent tax on the final price, the higher the cost of petrol, the bigger the tax rake-off. That erodes household budgets. People planning their normal expenditure are now paying much more tax on the GST than the government budgeted for. The GST has pushed petrol prices higher.

This government promised to cut red tape. Just mention to any businessman in Australia three letters: B-A-S, the business activity statement. They will tell you that this government has botched this entirely. Small business have become tax collectors for the
government with no time to conduct their own business. They are mired in red tape and unable to burst out of it. The Prime Min-
ister’s backflip adopting Labor policy on the business activity statement had one significant flaw: it did not adopt all of the Labor policy. If it had, the problems in simplifying the business activity statement would have been substantially behind it. There are still problems in the business activity statement. To the promise that red tape would be less, the response is ‘not true’.

The government said that the GST would reduce the cost of banking. They said that the cost of banking would go down by $600 million a year. The cost of banking has actually gone up by $430 million a year and that has caused a rise in fees and charges imposed by the banks. In some cases, those fees and charges have gone up by 10 per cent. No-one would put their prices up by more than 10 per cent? You tell that to the banks! Fees and charges have gone up by a full 10 per cent, and in some cases more.

The government said nobody would be worse off, except tax cheats. Yesterday, in question time in the other place, the Prime Minister said the average Australian would not be worse off. A funny modulation of language here—from ‘nobody’ to ‘the average’. Of the people responding to a popular opinion poll, 70 per cent said they believed they were worse off under the GST. This 70 per cent of Australians is a majority by my count. If that 70 per cent of Australians hold that firm view, they are entitled to be believed, and 70 per cent of Australians are not tax cheats. This ’70 per cent of Australians’ covers the Prime Minister’s definition of ‘average Australians’. They believe they are worse off under the GST.

One of the greatest furphies of all time is that the GST would remove hidden taxes. The government published a little red book of hidden taxes saying, ‘These are the taxes that will be removed.’ What they did not tell anyone is that excise is a hidden tax. That was not in the little red book. Excise, as a hidden tax, has gone through the roof. Go to page 5-13 of Budget Paper No. 1 from the last budget and you will see a massive increase in excises, of some 40 per cent. Excise taxes have gone up by some $6 billion annually, or $300 per Australian, and that is a hidden tax under this government. A hidden tax, not abolished. A hidden tax, growing, and a hidden tax that if the beer bill goes through will increase the rake-off more. What are the components of that extra $6,000 million? Excise tax went up 13 per cent on fuel, 61 per cent on beer and spirits and 194 per cent on tobacco. That is the hidden tax they have raked off. The government said they do not agree with the principle of a tax on a tax—and nor do we. But there is a tax on a tax: you pay excise on beer and you pay a tax on the top; you pay excise on petrol and you pay the GST on the top. It is a principle of taxation that taxation lawyers and taxation accountants say you should not do: taxing a tax. That is what the government have done. The tax, the GST, is a growth tax because it is a percentage tax.

The government says the fundamentals of the economy are fine. Tell it to the dollar! Tell it to our foreign debt! Tell it to Australians who are concerned about the impact of the GST. Just quietly, do a compare and contrast of what the government promised and what are the outcomes. Be conservative in assessing the outcomes. Do not try and make a case. Be objective and conservative. You will find the government has misled Australians massively. (Time expired)

Senator COONEY (Victoria) (12.06 p.m.)—We have heard a very elegant and very forceful speech by Senator Cook. He was talking about the need to ensure that the economy is right and that the wellbeing of Australians is looked to. I have heard you, Mr Acting Deputy President George Campbell, argue many a time in this chamber on the economy and I must say you have always made sense—a lot more sense than certain other speeches that are made in this chamber. The economy is essential for the wellbeing of Australians but the economy is not all that goes to the issue of the wellbeing of Australians. We argue at times as if the fundamentals of the economy are all that matter—if we can shift certain levers, put certain things in place, get the interest rates right, get the balance of trade right, get the gross national product right, we will all be happy.
I am not sure that follows, because the soundness of the economy does not necessarily mean that the wellbeing of the nation is going to be assured. There are other elements. The integrity of the economic system—and all those sorts of things that go to make it up—is essential. I was speaking last night to Mr Ralph Jacobi. Mr Jacobi was a member from South Australia when I first got here. He was a very good and notable member of parliament. He had what could almost be called an obsession that companies and the instruments that determine the economy for the people on the ground should be looked at. Their integrity was absolutely essential for the wellbeing of the people of Australia. In this speech I would just like to pay tribute to Mr Jacobi because I think he was a person who left a great legacy to this parliamentary institution.

We have recently had an example of what Mr Jacobi talked about when he said we ought to have a society where everything is conducted according to the utmost integrity and, if that cannot be done without regulation, we ought to have regulation. There is an argument—and a good argument at that—which says that it should be left up to people to act in accordance with their conscience, there is no need for regulation and, if there is a non-regulatory system, everything will operate well. Mr Jacobi was against that approach. I must confess that a recent example of what has happened in the insurance world bears out what Mr Jacobi has to say. I talk here about HIH Insurance Group and its collapse.

I had a phone call just before I came in from a policyholder who held a policy from HIH in respect of professional indemnity. Proceedings have been taken against her for professional negligence. From what she tells me there is no real worry that the case will be successful. Nevertheless, the case has been taken; she looks to HIH Insurance to back her up to conduct the case and proceedings, and it has gone broke. In fact, she got on to HIH Insurance through very big brokers, AON. They say there is no responsibility for them because they thought it was a very reputable insurance company. No doubt it was—at one stage at least—but now it has gone broke they are not concerned in any way to help her out. Here we have a situation where a person has gone to a very big broker who has had her insured through HIH Insurance, HIH Insurance has collapsed and everybody has said, ‘Bad luck, fight your professional negligence claim on your own.’

It is bad enough that a private company—AON, the brokers—should abandon her; it is perhaps worse still when the regulatory authority set up to look at the sort of situation as the one created by HIH Insurance should also fail in its duty. I refer to the Australian Prudential Regulation Authority. The woman who rang me is one of many people who have now been left without proper insurance. These people who have, in a very responsible way, insured themselves against all sorts of things are now to be left bereft of the protection that they were entitled to think they had but which, in fact, they did not have. I think the Australian Prudential Regulation Authority ought to be explaining to this parliament how this sort of thing was allowed to happen. Why do we have people like the Australian Prudential Regulation Authority when this sort of disaster is allowed to happen? When people go about their work industriously, with skill and dedication, if they are confronted by some-one saying they are going to sue them, why should they then be left, as this person is, bereft of that protection?

What sort of financial system have we got when a disaster like this can occur and the body that we have in place to supposedly protect against this does nothing? From what I can gather from the talk about town—if I can use that expression—in Melbourne, this sort of thing was known about for some months before it occurred. Not only have the policyholders been affected; people who did work for this insurance group have also been affected. They have been left owed millions of dollars. I think this is a very bad situation, and some sort of action should be taken by the government and the parliament. I think it is proper—and perhaps it does not occur often enough—that this parliament supervise things more than it does. The estimates committee system is an excellent system. We
are about to reduce—if we have not already reduced—the number of estimates committees we have. I think there ought to be more committees because things like the HIH Insurance collapse bring home to you just how necessary it is for this parliament to see how the administration is going.

It is important to look at this whole area of parliamentary supervision. I was looking last night at some government documents that were brought in, two of which I spoke to for five minutes. We get five minutes to speak to these documents. I sometimes think that is not enough, but at least there is some opportunity for parliament to look at issues which are of great importance to the people of this country. The first of the two documents brought in last night was about a person who had some problems at work because of her age. Some justice was done, because the President of the Human Rights and Equal Opportunity Commission, Professor Alice Tay, made a decision which the employer—a private employer in these circumstances—accepted, and the employer paid money to the applicant in accordance with that decision. On the other hand, in another case involving two people, Mr Chris Sidoti, who was the predecessor of Professor Tay, made a series of findings against the government in the form of the Department of Immigration and Multicultural Affairs. He made a finding against it, but it failed to comply with the decision. I think it is proper that the parliament take note of what is going on with both of those cases.

The other document that I would like to refer to that came up last night was the report on the Telecommunications (Interception) Act 1979, a report for the year ending 30 June 2000. That sets out, amongst other things, an audit of the phone tapping that has been carried out by those authorities that are entitled to phone tap. That is a very significant point in terms of the civil rights that we enjoy in this country. We can only continue to enjoy them if we watch how they have been affected by various acts of parliament and by the people who are supposed to be administering those acts of parliament, the Public Service. If we do not have annual reports and if we do not take notice of annual reports, our liberties can be set back. Unless we look at the rights that we all say we prize so strongly and unless we keep our eyes on these things, we could be in trouble. You can have a bad system, and if you let that bad system continue then you are not adding to the wellbeing of the people of Australia. Although we might save the people of Australia an extra $100 or even $1,000 a year by some action we take, if we have left them with less freedom than they should have had and left them worse off than they should have been in terms of the things that are essential for the human spirit, then we have failed.

It is important to look at whether our structures are correct. You can have the most wonderful structures in the world, but unless you have the right people in charge of those structures then things fail. I think we have quite excellent systems, whether they are policing systems, systems that see that people’s pensions are paid or systems that see people are paid in the armed services, for example. We have systems that give resources to people who are getting older, and we have systems to help education in Australia. We can have all those systems and they can be the most perfect systems in the world, but if we have not got the right people in charge of them then again we have real problems in ensuring we have the wellbeing that we all say we need.

It is important, therefore, that we look not only at the tests of how the economy is going but also at the state of the community we are living in. There is some excellent work done by the committee system in this parliament, and I think it is important that that be preserved. As I said before, I would like more rather than fewer estimates committees. I would like to talk about my own excellent committee, the Standing Committee for the Scrutiny of Bills, which tests against a series of criteria whether legislation is in accordance with what is human, what is proper and what is right and in accordance with the true spirit of people. A committee which is aligned and very closely related to that in many ways is the Standing Committee on Regulations and Ordinances. I see Mr Bessell in the chamber. He is one of the great figures in that area. He is presently the sec-
Secretary, but he has been working in this area for some years now. Before that, he was with another excellent committee, the Senate Legal and Constitutional Committee, where he saw that many a great report was published. Those reports put out into the public domain the ideas that are oftentimes adopted in legislation. They should be adopted more often in legislation than they are; nevertheless, they are in many cases adopted in legislation, and they make for the wellbeing of this community.

These bills deal with the appropriation of the money that is taken from the people, in effect, to pay for a whole variety of government services—and that is right. Any decent community will see that services are provided by government—by parliament—because, unless those services are provided, our wellbeing will be very much impaired. So it is very important to see that that money is collected and that people do pay what they should pay as citizens. But once that has been paid, once that money has been collected, it is very important that it be spent in a way that helps us all as members of the community.

There is a perception—and again, if you look at it, this perception is correct—that the distribution of resources in this community is not as good as it should be. I do not know whether this ill distribution of resources has become more marked since you left the union movement, Mr Acting Deputy President George Campbell. If it has, you owe the people a bigger obligation while you are in here to ensure that that balance is in some way restored. There are all sorts of arguments that prevent us from doing that.

We have the fear that, if we tax companies, for example, companies will go overseas. They might. But, in the end, if we have this fear and we are not willing to take on large corporations, we get less resources into the community so that the community as a whole can enjoy them. We will get less than we should and we will get the sorts of results that we have had, and which I have talked about today with HIH Insurance. We have to look at these powerful forces through which the economy is conducted and our corporations are, in most cases, conducted magnificently. We need to remember that it is the wellbeing of the community rather than the theory of economic purity that counts.

Senator KNOWLES (Western Australia) (12.25 p.m.)—Today we are discussing the Appropriation Bill (No. 3) 2000-2001, the Appropriation Bill (No. 4) 2000-2001 and the Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001. As one would know, the appropriation bills give honourable senators an opportunity to discuss virtually anything that is in the realm of federal government and national politics in particular. Therefore, I sought to speak today because I—like many other people in this country—am getting very tired and somewhat angered at the way in which the Labor opposition is now simply exploiting everything that happens in the most vicious and downright dishonourable way. I want to look at issues today such as fuel, child care, pensions, the BAS and aged care—there are so many areas. Unfortunately, I have only 20 minutes in which to do so. Had I had longer, I am sure that I would be able to go much further into where the dishonesty and the deception is being perpetrated on the Australian people.

We hear—and we heard it even last night—that the Labor Party are going to refuse the retrospective indexation for beer exercise. It is just unbelievable. This comes from a party that, when in government, continued to increase excise at the most phenomenal rate. They do not care what they do to the bottom line of the budget of this government. Similarly, they did not care what they did to the bottom line of their own budgets. That is why we were left with a $10 billion, $11 billion or $12 billion deficit when Mr Beazley left us the chequebook.

We will be confronted in the next few days with the Labor Party, who had the most disgraceful economic record in government, making a further dent in somebody else’s budget. They are not content to do it to just their own; they have to do it to another government’s budget. One can only ask: how irresponsible is that? The people of Australia have to say, ‘If that is what they are prepared to do to another government’s budget to try and win a few quick, cheap votes, what are
they going to do to their own budgets to do likewise?

It is the same with the fuel excise. They have bleated long and loud and hard about how obscene and absurd the indexation on fuel excise is. As I said in this place a few weeks ago, it is their excise. They are the ones who introduced it and they are the ones who increased it to the tune of 450 per cent while they were in government. They are the ones who increased it to the point where it was costing Australian motorists $3.7 million a day. And yet one would think, from listening to the current debate and the current utterances from the Labor Party, that they had no truck whatsoever with fuel excise—that they had no truck with automatic indexation. That is not so. At no stage did they ever seek to do what the current government is now doing: freezing it on fuel and removing it forever. They just increased it by 450 per cent.

As I say, the Labor Party introduced fuel excise indexation in August 1983. The way in which that grew is just amazing. At that stage in 1983, excise was 6.155c per litre. When the Labor Party walked out 13 years later, with the books well and truly in the red to the tune of $11 billion to $12 billion, the excise had gone from 6.155c per litre to 34.183c per litre. I hardly think it is fair for the opposition to go out on the airwaves of this country and pretend that they have clean hands on the subject of fuel excise indexation. The situation is quite the reverse. Do you know what they have done ever since the government’s announcement that the government was going to remove that indexation? They just increased it by 450 per cent.

As I say, the Labor Party introduced fuel excise indexation in August 1983. The way in which that grew is just amazing. At that stage in 1983, excise was 6.155c per litre. When the Labor Party walked out 13 years later, with the books well and truly in the red to the tune of $11 billion to $12 billion, the excise had gone from 6.155c per litre to 34.183c per litre. I hardly think it is fair for the opposition to go out on the airwaves of this country and pretend that they have clean hands on the subject of fuel excise indexation. The situation is quite the reverse. Do you know what they have done ever since the government’s announcement that the government was going to remove that indexation? They have complained about it.

I want to focus on Labor’s record of the number of times they sought to increase excise over and above the inflation adjustment. I have already said that it was increased by 450 per cent but, worse than that—if you could possibly get anything worse than that—on five separate occasions the former Labor government sought, and managed, to increase the fuel excise over and above the inflation adjustment. That was after they had promised they would not do so. It is a bit like the tax cuts of 1993, isn’t it? If I remember rightly, it was about the end of 1992 that the coalition released its Fightback package, and contained within that package were substantial tax cuts.

The then Keating-Beazley government came rushing into the parliament with proposed tax cuts, trying to match the coalition’s promise. They pushed them in, got them through and then Mr Beazley went running out there to talk about the tax cuts they would be delivering if they won the 1993 election. We will all remember forever the way in which Mr Beazley described those tax cuts: l-a-w. What happened after the 1993 election, after the total Fightback package had been completely and utterly misrepresented in every way possible? Mr Beazley came into the parliament and said, ‘Sorry, the l-a-w tax cuts are no longer l-a-w because we can’t afford them.’ We knew they could not afford them in the first place, but that did not stop the deception.

We are seeing the same type of deception here on a daily basis. On no occasion did they ever compensate motorists for the CPI indexation or for the discretionary increases in fuel excise—never. There were never any tax cuts associated with them. They said, ‘We’ll just jack up taxes or jack up all the wholesale sales taxes that we’ve abolished. We’ll forget about that; they’ve all gone. We’ll jack them up to the 10 per cent level, the 30 per cent level and the 40-odd per cent level—we’ll jack them all up,’ which they did. Did they ever give a tax cut commensurate with those tax increases? Never. Not once. I think the following figures help to show the picture even more clearly: for instance, the former Labor government petrol tax hikes in 1993 raised an extra $3.7 million a day, from the time they increased it to the time they were kicked out of office in 1996.

It is also very hypocritical of Mr Beazley to publically bemoan the pain of motorists when it is they who opposed the original fuel cuts that the coalition proposed with the introduction of the new tax system. I have lost count, as everyone would have, of the number of times the Labor Party have said, ‘You promised that fuel wouldn’t go up in price as a result of the new tax system.’ It is just like the parrot sitting on the fence. Yet it was they who actually voted against it. It is thanks to
the Democrats that those cuts actually went ahead. I would be hanging my head in shame if I were a member of this opposition going out there and blatantly misinforming the people of Australia. Why aren’t they going out there and saying, ‘We actually voted to keep your fuel prices higher’? Additionally, they are blaming this government for decisions that are made in Vienna. Excuse me, but I thought that federal parliament was sitting in Canberra, not in Vienna! So if OPEC decides to cut the production of oil, somehow this government is responsible! It just defies logic but, more importantly, it defies any degree of honesty.

I would like to turn to the issue of pensioners because, equally, that defies any degree of honesty. Every day of the week we have someone coming in here to talk about the poor pensioners being short-changed by the coalition government. Once again, let us look at what the Labor government did in comparison with what this government has done: the Labor government increased indirect taxes. It did not matter whether it was the excise level on fuel going up—and pensioners, would you believe, actually use fuel. It did not matter whether it was the increase in wholesale sales taxes—and pensioners actually paid wholesale sales tax; they might not have been too aware of what they paid but they paid levels of up to 40 per cent. The Labor government continually increased those taxes, just to name a few. Prices would then go up, the CPI would then be calculated and, retrospectively, the Labor government would then give pensioners a rise in line with the CPI, but they would not pay it retrospectively. So it was calculated after the increase, when the pensioners had had to pay the increased amount, and then they would be paid the amount from then on—the calculation, not from the time of the increase.

Let us look at the contrast. When this government brought in the new tax system, it paid compensation up front, before any increases, and continues to pay compensation two per cent ahead of inflation. If some of the people who purport to speak for pensioner groups—and admittedly they are not all pensioners, because some of them realise they are being used as political pawns in this exercise—put aside their political proclivities and their blind support of the Labor Party and actually started telling the truth, then they would understand that the group known as ‘pensioners’, whatever pension they might be on, are in fact better off today than they ever were under 13 years of Labor. Again, I am only speaking in this debate in the chamber today because I am so frustrated and annoyed at the dishonesty with which Her Majesty’s opposition is treating the people of Australia. Pensioners, as I said, got an indexation increase on 2 March 2001 and there was a two per cent adjustment to the CPI indexation around that time to allow for the July 2000 advance. But, as we see in a whole range of areas, this vulnerable group of Australians are being used, frightened and terrified about their future so a political party can try and force them into support based on a set of lies. That is just appalling behaviour.

I was talking to a lady in my office this morning about politics in general. I said, ‘One thing I used to be able to do prior to 1996 was to say to schoolchildren that, no matter what you see on television from the bearpit of question time, that does not reflect what is happening in the chambers later on in the day or, more particularly, in committee deliberations, because people actually stop and think about what is best for the country and all political parties come together to try and achieve what is best for the country.’ I can no longer go to schoolchildren and say that. Since this government has been office, and more particularly since this opposition has been the opposition, the goodwill has gone. Every single solitary committee inquiry is politicised. Even legislation that the opposition has already voted for in one chamber is politicised in this chamber and sent off to an inquiry and misrepresented. It is an appalling standard when people cannot go out and say that Her Majesty’s opposition are prepared to get the best outcome for the people of Australia. It is not happening—everything is now politicised, misrepresented and plainly lied about. That is just disgusting. No longer is the truth told by this opposition.

Let us have a look at the issue of child care. They have been saying for some years
now that the number of child-care places has fallen. They have not: 151,300 child-care places have been created since June 1996. There is a record number of 700,000 children in care. And, since July 2000, fees for child-care centres are down 15 per cent. Yet the Labor Party constantly come in here and say that we have increased the cost of child care. Not only is that dishonest on one score, it is dishonest on two: (1) the fees have gone down by 15 per cent and (2) the government do not set the fees; the centres set the fees. Here we have the opposition coming in here and saying there are fewer child-care places. There are not—there are over 151,000 more child-care places than there were when we came into government. We have had a 15 per cent reduction in fees and the opposition blame this government, who do not set the fees, for increasing them. Somewhere along the line this dishonesty has to be challenged. I hope that somewhere, some time, between now and the election, the opposition will be seriously questioned not only about the policies they clearly do not have—

The ACTING DEPUTY PRESIDENT (Senator Bartlett)—Excuse me, Senator, I have been asked if you would mind continuing your remarks later so that a minister can table something before the lunch break.

Senator KNOWLES—Can I finish my sentence? I only have two minutes to go.

The ACTING DEPUTY PRESIDENT—We have only a few seconds to go before lunch and the tabling needs to be done before then.

Senator KNOWLES—I just want this opposition to be seriously challenged on policy and to be forced to start explaining why they are deceiving the people of Australia.

PHARMACEUTICAL BENEFITS ADVISORY COMMITTEE

Return to Order

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (12.44 p.m.)—On 26 February of this year the Senate passed a return to order motion seeking the tabling by no later than 4 p.m. 27 March 2001 of documents relating to the listing of the drugs celecoxib (Celebrex) and rofecoxib (Vioxx) on the Pharmaceutical Benefits Scheme and the appointment of the new Pharmaceutical Benefits Advisory Committee announced by the Minister for Health and Aged Care on 1 February 2001.

Yesterday in the chamber the documents requested by the motion in relation to celecoxib (Celebrex) and rofecoxib (Vioxx) were tabled. I now table the documents relating to the Pharmaceutical Benefits Advisory Committee. Honourable senators should note that the only documents that are not being released in part or in full are: those that are cabinet in confidence, personal information such as the private addresses and contact details of individuals or information forming part of the deliberative processes of government the release of which would be contrary to the public interest.

REMUNERATION TRIBUNAL AMENDMENT BILL 2000

Second Reading

Debate resumed from 8 March, on motion by Senator Ellison:

That this bill be now read a second time.

Senator MARK BISHOP (Western Australia) (12.46 p.m.)—The opposition will be supporting the Remuneration Tribunal Amendment Bill 2000. The bill will establish a more rigorous framework for the classification and remuneration of public sector principal executive offices. It gives an expanded role to both the Remuneration Tribunal and the Minister for Finance and Administration. The minister is given the powers to: create principal executive offices by declaration; declare the employing body at a classification band or level in the principal executive office classification structure to which the office will be assigned; set the commencing remuneration for the office; and assign an office into a particular classification temporarily and/or identify a level of commencing remuneration which is person specific.

We note that before exercising any of these powers the minister must seek advice from the Remuneration Tribunal and take
that advice into account, and that all ministerial declarations are to be published in the Gazette. The Remuneration Tribunal’s role in this process is enhanced by allowing the tribunal to make recommendations to the minister on the classification and commencing remuneration to apply to which principal executive office and specifying that the employing body of a principal executive office may determine terms and conditions for the office only in a manner that is consistent with the Remuneration Tribunal’s classification structure for principal executive officers or in accordance with specific written advice received from the tribunal.

Currently, it is the Governor-General who has the power to create a principal executive office by regulation and the Remuneration Tribunal which determines a classification structure for principal executive officers. But neither have the power to determine the level of remuneration. This is done by the governing board of the employing body. We consider the measures set out in this bill to be an improvement on the current system. We note that the arrangements for transparency and accountability are similar to those that the opposition agreed to in the context of the Public Service Bill for determining the remuneration of secretaries to government departments.

Senator PATTERSON (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Parliamentary Secretary to the Minister for Foreign Affairs) (12.48 p.m.)—I thank Senator Bishop for his short and succinct contribution. The Remuneration Tribunal Amendment Bill 2000 clarifies the respective roles of the tribunal and the responsible minister, currently the Minister for Finance and Administration, in relation to principal executive offices. The bill amends the Remuneration Tribunal’s role relating to principal executive offices by allowing the Remuneration Tribunal to make recommendations to the minister on the classification and commencing remuneration to apply to each principal executive officer, specifying that the employing body of a principal executive office may determine terms and conditions for the officer only in a manner that is consistent with the Remuneration Tribunal’s classification structure for principal executive officers or in accordance with the specific written advice received from the Remuneration Tribunal and allowing for transitional arrangements for offices that were declared by regulation to be a principal executive office before the drafting of this bill commenced. I commend the bill to the Senate.

Question resolved in the affirmative.

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

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 2) 2000-2001

APPROPRIATION BILL (No. 3) 2000-2001

APPROPRIATION BILL (No. 4) 2000-2001

Second Reading

Debate resumed.

Senator BUCKLAND (South Australia) (12.50 p.m.)—I rise today to speak on the Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001, Appropriation Bill (No. 3) 2000-2001 and the Appropriation Bill (No. 4) 2000-2001. I would like to turn our attention to the lack of government spending on health care and, in particular, on health care in rural and remote areas of Australia. There needs to be much more government spending on rural and remote health care. That can be seen by the regular reports in the media and the regular complaints to our office by those living in remote areas about the lack of services they have and the lack of amenities for the doctors who, in decreasing numbers, are going to the outback, to regional and rural areas and to regional cities to practise their profession. The rural areas have a number of barriers in relation to health care and the money needs to be directed at those barriers.

The programs that are being run by regional medical centres do not equate to those programs of care that can be run in major cities and in metropolitan areas. There are a number of reasons for this, including the tyranny of distance, the great expense and the
time that is required to travel for those in the non-metropolitan areas. It is difficult for us to understand some of these problems when we live in areas that are well serviced by general practitioners and, indeed, when we have ready access to specialist care. Those in outlying areas do not have this, and it is not necessarily just country towns that I am referring to, as some major cities within some states do not have adequate health care and specialist care for their citizens.

From the information available to us from the medical profession itself, we see that two-thirds of the GPs in country areas practise as solo practitioners. They find it particularly difficult to attract locums who can give them adequate relief from the work that they are undertaking. It was not too long ago that some of us attended a breakfast where we were addressed by the AMA. At that breakfast we were advised that it was not only the rural areas that were finding it difficult to attract locums but also major city practices. As I said earlier, I really want to concentrate on the difficulties that are confronted by the regions.

Senator McGauran—You are better on industrial relations.

Senator BUCKLAND—We may address that at some future time, Senator. We are talking here about something that is particularly important to people who live in regions, and I would think that the good senator opposite, as he pretends to be one who cares for country people, would understand that.

The difficulties that we face in South Australia, my home state, are compounded by the vast distances that are travelled by patients to see professional medical practitioners—that is, the specialist services—and on occasions to see GPs. People from the Aboriginal community in the Pit lands do not have very much in the way of medical care at all. They are serviced by the Flying Doctor Service, which is reasonably well funded, but it cannot be everywhere all the time. It can only do some of those things that need to be done to treat those living in areas such as the Pit lands and in other outlying communities.

Let us have a look at some of the situations that face those living in communities that are much larger and have well serviced hospitals but do not have doctors to practise in them. For example, Roxby Downs is a new town with a good population and with people on good incomes, but it faces a crisis. The Advertiser on 14 February this year said: Mothers in Roxby Downs, Ceduna and Meningie are the first affected in what the Australian Medical Association says could be the beginning of a rural crisis in obstetrics.

It went on to say:

Roxby Downs has 150 pregnant women who will have to leave the town to have their babies because obstetric services have been suspended until a doctor with anaesthetics skills can be recruited to the region. Roxby Downs mother-of-three Rachel Lange ... has had to travel large distances for the births of each of her three children.

That situation is common throughout regional South Australia. It is a common practice—to travel to a capital city to have a child—for those living in places like Roxby Downs and Ceduna, and in the south-east and in the Mallee. Without adequate funding and without adequate incentives for doctors with the necessary skills to go to remote areas, we are correct to assume that we are facing a crisis of medical services in non-metropolitan Australia. And this situation is not unique to South Australia; it is reflected in Western Australia, the Northern Territory, Queensland, New South Wales, Victoria and Tasmania. It is a situation that we should be ashamed of.

But some of the problems we have go beyond the patients alone having to travel to see their medical carers. Consideration has to be given to the difficulties facing the medical profession if they make that choice to move to a regional or remote area. They too are faced with tyranny of distance. They are faced with isolation from their peers. We could say to them, ‘Pick up the telephone, it is not particularly difficult.’ That is right, but any call they make is STD, which is an added cost to their practice. And these practices are those where the doctor, the general practitioner, is a family doctor and their skills requirements go beyond those of general practitioners’ duties of looking to see whether you have got a cold, a broken leg, a broken arm or whatever it may be. They
need to have a clear understanding of the psychological make-up of the human being as well.

My understanding is that that is not taught in any depth at medical school. I am not a medical practitioner, have not attempted to pursue such a career and in fact would be quite awful at it if I did. But country doctors are spending more time dealing with the difficulties of the mind than the difficulties of the body—something that they are trained for. And so they have a small community, they have fewer patients than those doctors practising in the city, and they do not have access to the professional care of psychologists and psychiatrists, physiotherapists and other specialists. They have to do it themselves, and there is a greater call today on the community for these counselling type services from the family doctor in the country than ever before. With the downturn in the economy, with less country employment available and with the sheer isolation of so many people, the doctor is the one who is leaned upon to provide some relief in body and mind.

But the doctors in these communities, if they decide to go to them, have to face the fact that their income cannot be as great as it would be in the city—and that is understandable for most people—because their clientele or their patient numbers will be much less and will be more isolated and their practice will include more travel for both parties to have care provided.

The doctors, to get their skills upgraded, need to be conscious all of the time of how they will do that when they cannot get a locum to relieve them, and yet the country doctors are continually called upon to provide those additional services. Doctors need to have regular retraining and training in a greater number of skills within their profession. We know, from the report I referred to, that we have a crisis in South Australia and, I suggest, elsewhere in relation to obstetrics. Larger cities like Port Pirie, Port Lincoln, Port Augusta and Mount Gambier are also not immune from having a need to send pregnant women to Adelaide for the delivery of a child. And what do we do about that? It is the total disruption to the family of having to leave for that type of care that needs to be considered. And unless the money is directed to providing services to assist in this area, we stand damned for our lack of attention.

The government cannot run away from its lack of care in this field. The government is responsible and the government cannot say that it has done enough to stem the crisis that exists today. If we continue with the report from the Advertiser of 14 February, Mrs Lange went on to say that having a baby by leaving your home might be manageable for the first child, but almost impossible when you have more than one child to care for.

It does become particularly difficult, because in small communities there are no child-care facilities. Quite often a young family are living isolated from their parents. They do not have other family members in the community and they do not have sufficient people to look after the family while they are absent. Take the case of Mrs Lange in Roxby Downs: if she has a husband working there it might not be practicable for him to take time off work so that she can go to Adelaide and he can stay there and look after the other children. It might not be practicable for him to take time off work as annual leave. He might not have that provision available to him at the time. So you have mother and newborn child in one city, and you have the remainder of the family, disrupted somewhat, living in isolation in the country, or someone has to take time off without an income to take the whole family to the capital city to get care.

We also have a crisis in these regional areas with the older generation, those who are looking at nursing home care. They, too, need specialised services as they get older. Many older people like to retire to small rural communities or to beach or coastal communities where they do not even have a doctor, and they need to travel large distances to see their doctor. But what occurs? As one lady from the Yorke Peninsula only last week said to me, ‘What happens if my car breaks down? I do not have a doctor here. How do I get to my doctor, which is 80 kilometres hence?’ She is 87 years old and lives in Ardrossan. So you have that crisis looming on our doorstep as well, all because
there is a lack of forethought into how we deal with what is now a known crisis in regional health care. The government has not addressed the issue of attracting doctors and retaining doctors away from capital city situations. Something has to be done so that the doctors who practise in those areas can get fair recompense for the work that they do, so that they can get access readily to their peers and to professional training through universities and other sources, and so that they can better serve the communities in which they live.

This government has not addressed those problems. This government seems to think that, if you live on the eastern seaboard or in one of the other capital cities, you are okay, but if you do not, you have to look after yourself. Doctors will not go to a country area when they know that their income will be lower—and who can blame them?—when they know that they cannot get access to training, and when they know that they cannot have regular contact with their peers. I do not blame them for one moment. These doctors do need incentive, and it is the government’s responsibility to develop that incentive for them so that all of Australia can have equal health care and all Australians can be proud of the work that they are doing. (Time expired)

Senator GEORGE CAMPBELL (New South Wales) (1.11 p.m.)—This set of appropriation bills—Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001, Appropriation Bill (No. 3) 2000-2001 and Appropriation Bill (No. 4) 2000-2001—provides us with an excellent opportunity to scorecard the coalition government’s economic performance and in particular to look at the so-called famous strength of this government, which is meant to be their economic management. Since 1996, when the coalition got into government, they have traded on what they believe are their strong economic credentials. How often have we heard the Prime Minister and the Treasurer talk up this government’s economic performance? For instance, in a speech to the Liberal Party Federal Convention on 15 April 2000 the Prime Minister had this to say:

We are now experiencing the longest period of continual economic growth since the 1960s... And... in this environment it is important particularly for the Liberal Party as it quite properly focuses on the goals it has in Government. There is a need to remind ourselves of the need for ongoing economic reform.

Again, around about the same time, the Treasurer was saying on ABC television:

I see an economy which is exceptionally strong. The last growth figures showed we’re still growing at about 4 per cent. Since the Government was elected, we’ve averaged 4 per cent growth per year... If you continued for the next four years with growth at 4 per cent and you got jobs growing at about 2 per cent per annum, you would eat into Australia’s unemployment. We ought to try and grow at 4 per cent per annum. If we did that, we could provide jobs for people who wanted to work. Now that’s going to take a lot of good policy. And 4 per cent per annum would mean we’d probably have to be about the strongest performing economy in the world, but we were the strongest performing economy in the world, at 4 per cent per annum, over the last three years.

Isn’t it interesting how times have changed? Economic hardship, born from poor economic management, is costing them electoral support all over the place. We have seen the Western Australian election, we have seen the Queensland election and we have seen the by-election in the seat of Ryan. Executive salaries may be increasing, but in rural and regional Australia, for working Australia, for Howard’s so-called battlers, life is very different. Now the government’s precious economic credentials have virtually evaporated before their own eyes.

The last period of negative economic growth—minus 0.6 per cent of GDP—has certainly blown out of the water those meagre credentials and claims of good economic management. So much for the Treasurer’s goal of four per cent growth per year for the next three years. We, in fact, are going backwards. On the government’s own growth scorecard, they are already failing the exam. The cause, as we all know, is the GST and the petrol excise, a goods and services tax which this government introduced and which has become a baseball bat on the economy. It is no coincidence that a downturn in the housing sector and in construction, the reduction in consumer spending, the building
up of business inventories and the drop in business confidence surveys are the first areas affected by the GST. Meanwhile, small businesses are going to the wall while this government ignores their pleas.

Business investment shows that, since the GST came in, capital expenditure fell by 5.2 per cent in the December quarter, with plant and equipment falling 3.6 per cent and buildings and structures falling 10.5 per cent. The average annual growth in business investment has now fallen to minus five per cent. Compare this with Labor’s performance. In the last three years of the Labor government, business investment was at 15 per cent. Business investment in plant and equipment has fallen in the last eight out of 12 quarters. Business expectations are very gloomy. Applying the five-year realisation ratio to the fifth estimate for 2001 implies a nominal decrease in new private capital expenditure of 4.7 per cent in 2000-01. In the construction sector, building work done in Australia fell by 10.2 per cent in December. For the year 2000-01, it has fallen by 23.6 per cent. This is the biggest annual decline since the Prime Minister, Mr Howard, was the Treasurer in 1983. Back to the future!

What do the Prime Minister and the Treasurer now say about their economic performance? They say, ‘It’s not so bad; things could be worse,’ which is akin to saying, ‘You should always look on the bright side of life.’ We should be singing the song Always look on the bright side of life to the Australian community. Prime Minister Howard stated on the Today show that they were:

... continuing to provide this country with good Government. And in a year when economic management will be more challenging than it has been for the past two or three years ...providing an experienced group of people to manage those economic challenges a lot more effectively than our opponents.

The Prime Minister makes it sound like the deterioration in the economic performance is an accident. The reality is that this so-called group of economic managers in this government engineered these challenging economic times by implementing the GST and whacking a petrol excise on top of it. What does the Treasurer have to say about these economic tough times? I quote:

I think the picture of the Australian economy is slowing as we forecast it would. It is still growing at rates which years ago we would have thought were exceptionally high.

This is head-in-the-sand stuff. This so-called slowdown is very different from the midyear economic performance forecasts. It is a quarter of negative economic growth. This government has traded on its economic credentials and now finds that these credentials are in tatters.

The government’s economic mismanagement is far worse across the board. It is worth going back and comparing the tradition of economic mismanagement that Howard has brought to this country with other governments. The PM talks up his government’s credentials on the budget outcome, which delivered a series of surpluses at the expense of funding to universities and a raft of other programs that help keep us competitive in a global economy. But we should not forget that, when the PM was Treasurer in the outgoing Fraser government in 1983, he left Labor with a massive budget deficit of minus 3.4 per cent of GDP. When the now Prime Minister Howard left government as Treasurer of this country in 1983, he left Labor a $6.8 billion deficit, which on 1998-99 figures is in the region of $12 billion. Only two years earlier the budget was in surplus to the tune of $0.9 billion. And he calls himself a good economic manager! People should not forget to look at his performance when he was the Treasurer and at the state he left the economy in when he was thrown out of office in 1983. This government’s memory, conveniently, cannot get beyond the period of 1991.

Now a new trend is emerging. With the introduction of the GST and all the problems with the petrol excise, this is now the biggest taxing government in Australia’s economic history. In the words of Max Walsh, in the Bulletin, on 13 March 2001:

By the time Costello brings down his budget, we will see that Howard not only is the largest taxer in history but also the biggest spender.

In Treasurer Costello’s first budget he increased the Medicare levy and he imposed a
15 per cent surcharge on superannuation contributions, which discourages savings but does provide money for the government’s coffers. Then came the GST and 10 per cent on everything but basic foods. And on top of that came the fuel excise windfall creating a GST feedback each time it was indexed for inflation, the end result being that the Howard government is the biggest taxer ever with total taxes amounting to 32 per cent of GDP in comparison to PM Keating’s period of 29 per cent of GDP and the period under Prime Minister Hawke when it was 27 per cent of GDP.

They have been frittering away money all over the place, knowing that the economy’s downturn is going to have an impact on their budget outcome but pretending that it is simply not happening. And what do we see in the current circumstances? We see a Prime Minister who just wants to keep on spending in order to buy himself votes and will do anything to hold on to the trappings of power: $140 million on petrol excise relief; $500 million on defence; flood relief; $159 million on innovation policy; $30 million, $60 million and $90 million on the Alice to Darwin railroad; calls for changes to the BAS—of which we do not know at this stage the financial impact; the Centenary of Federation slush fund; advertising awareness campaigns on the BAS; increasing the housing rebate for first home buyers; an ineffective Tough on Drugs publicity campaign; and the private health insurance rebate. And the list goes on and on.

That is a cut to the MYEFO forward estimates of something in the order of half their forecast, an underlying surplus of which was to be around $2 billion to $2.5 billion. What happens then if the economy continues on its downward trend? They raise this revenue, the result being that we will effectively, I think, see that the surplus has been halved again and that by the end of this financial year we will be looking at a surplus of around $1 billion to $1.5 billion. That is not good economic management. That is economic incompetence. That is absolute economic incompetence by this government.

Turning to indebtedness and foreign debt, Prime Minister Howard has had a long and chequered history with his performance scorecard. When he left government as Treasurer back in 1983 the current account deficit was minus 3.5 per cent and net foreign debt was 7.4 per cent. He had helped blow this debt out by increasing Commonwealth general government net debt in his years as Treasurer from one per cent of GDP up to 7.9 per cent of GDP when they were thrown out of office. And now foreign debt has hit an all-time record under the Howard government. It is $301 billion and has risen nearly 60 per cent since Peter Costello became Treasurer.

In the nation’s first 95 years since Federation foreign debt rose by $190 billion. Just five years on to the Howard government and Treasurer Costello has added nearly 60 per cent to that. And who can forget the debt truck? Who can forget the coalition partners, when they were in opposition, taking around this country the debt truck, parading it around the nation at that particular time? And what did Prime Minister Howard say about the debt truck at that time? In a speech to the Real Estate Institute on 17 October 1985 he had this to say:

The debt truck has helped heighten in the eyes of the Australian community the link between our level of overseas debt and the high level of interest rates ... obviously if one has to borrow money from a situation where one is already in debt, when one is heavily mortgaged ... obviously one is going to be charged a premium ... The same thing applies for a nation.

Under the Howard government’s economic management that debt truck has become a road train and it is now parked in the driveway of every household in this nation.

In 1995 Treasurer Costello, then in opposition, estimated that foreign debt accounted for $10,000 for each man, woman and child. That was on the World Today on 30 August 1995. Using the Treasurer’s own formula, today’s figures have increased the debt burden on every man, woman and child in this country to $15,696. Under Treasurer Costello, credit card debt is up nearly 160 per cent, and Australian households on average now owe more than they earn, with gross
household debt to gross income now over 100 per cent. Meanwhile, the household savings ratio has fallen to its lowest level ever, at 2.2 per cent.

Prime Minister Howard has talked up his government’s credentials on inflation, but the GST has seen inflation leap in the last two economic quarters. In the September quarter 2001, inflation had jumped to 6.1 per cent, and the December quarter followed this up with a 5.8 per cent increase. What is more, this government has engineered its inflation spike and then profited from it—again, the massive petrol excise windfall. Only after the electoral backlash that has occurred has the government attempted to try to do something about that. Prime Minister Howard has a long history on inflation. When he was Treasurer in the Fraser government, inflation leapt up to 16 per cent, and by the end of the Fraser government it was still 11.5 per cent. Throughout that period inflation averaged 10.3 per cent. Compare this with the entire period of the Labor government, when inflation averaged 5.2 per cent and was down to 1.8 per cent by the late 1990s.

I will now turn to employment and the government’s scorecard in this area. It is clear that it is another F for fail for the coalition in this area. We can safely say that employment growth has been far worse under the coalition than in the last three years of the Labor government. The average growth in employment under the coalition has been 1.79 per cent. Compare that to the last three years under Labor, when it grew at something like 3.1 per cent. Average monthly job creation under the coalition has been 12,875, while under the last three years of Labor it was 20,273. And what has the GST done for employment growth? It has killed it. The year-on-year employment growth rate peaked at 3.7 per cent in July 2000 and, since the GST was introduced, it has fallen to 1.6 per cent in the latest figures that were available in February this year. What about employment growth when Prime Minister Howard was the last Treasurer in the Fraser government? His performance then was even worse, at 0.7 per cent. Compare that to the entire period of the Hawke-Keating governments, when employment grew on average 2.2 per cent over 13 years. But Prime Minister Howard has never been good at creating jobs and keeping people in the work force. When he was Treasurer, the labour force participation was the lowest it had been since 1975, at 61.2 per cent.

But let us move on and have a look at the exchange rate. What can you say about the Australian dollar, except that it is only worth US49.7c? I think that was what it was when we were putting these figures together.

Opposition senators interjecting—

Senator GEORGE CAMPBELL— Where is it at the moment? It could be even lower. When the Howard government came to power the dollar was around US73c. So what does Treasurer Costello think about the falling Australian dollar? On 30 January 1996, when the dollar was worth US74c, he said:

A falling Australian dollar reduces living standards by making imports more expensive—we have to export greater quantities of goods and services to acquire any given amount of imports. With each fall of the Australian dollar Australians have to work longer and harder to acquire any given amount of imports.

And what did he say when the dollar was worth US71c on 30 June 1995? He said:

A nation’s currency is a mark of how strong its economy is perceived in international markets. In international markets the mark that has been given to our currency and to this Prime Minister’s economic management is a fail, an absolute fail. Now that the Australian dollar is below US50c, we no longer hear the Treasurer making any comments. He is strangely silent on the issue. No more do we see the breast beating about what he has done for our economy and the value of our currency. You cannot even get him to comment. If US71c is a failure for the Australian currency, how do you rate a currency that is running at less than 50c in the dollar? Treasurer Costello should not even qualify to get into a mathematics class in an ordinary primary school, let alone be allowed to continue as the Treasurer of this country.

The reality is that this government has failed as an economic manager. Its scorecard is a disaster when you do an effective comparison. It is the biggest taxing government in the history of this country. It has failed on
the issue of growth; it has failed on the issue of investment; it has failed on the issue of debt, particularly foreign debt; it has failed on employment growth; it has failed on inflation; and it has failed to measure up to its claim of being good economic managers of this country.

Senator CROSSIN (Northern Territory) (1.31 p.m.)—These appropriation bills give me and my colleagues the opportunity to highlight some of the impacts of the federal government’s policies on constituents in this country. I want to particularly concentrate my comments on what has been happening in the Northern Territory. In writing a few points for this contribution, I tried to think of what had happened since 1996 when this government first came into office, and I could not think of one significant contribution or outcome that the federal government has delivered for the Northern Territory. When the election is called before the end of this year, there is not one particular item—not one particular infrastructure or any one particular project—that this government has achieved in this time.

Senator Patterson—What about the railway?

Senator CROSSIN—Senator Patterson asks about the railway. Well, what about it? Many years ago, then Prime Minister Hawke offered to contribute $600 million, which the CLP government in the Northern Territory rejected. At the last federal election, the opposition offered to contribute up to $300 million towards the railway. The railway is a bipartisan product, if you are not aware of that, and your comments indicate to me that you are not aware of it. There has not been one thing that this government has singularly contributed to the worth of the Territory. The only thing that the Northern Territory was promised out of last year’s budget was a detention centre for migrants. We have been told, ‘It’s still on the drawing board, and yet to be realised.’ Was there ever a case that we needed a migrant detention centre in Darwin? I do not think so.

Let us turn to the GST. We were told that the GST would not have a significant impact on the economy. As we know, the GST has had a significant impact on the Australian economy and, in particular, the Territory economy. Unfortunately, that impact has been mainly negative—so negative that Australia appears to be heading into a GST induced recession. It should be pointed out that this is not Labor talking down the Australian economy but a verifiable fact. This federal government is single-handedly responsible for this.

The GST was always going to hit Territorians hard. It was an issue that Labor had predicted and campaigned hard on at the last election. The Territorians suspected they would be hit hard; that is why 52 per cent of them voted against the GST at the last election. Why did they do that? Because the GST is a retail tax calculated on top of the price of the goods being sold or the service being delivered. The Northern Territory, like many other parts of rural and regional Australia, already had a cost of living that was higher than in urban centres.

You do not have to be a rocket scientist to realise that higher prices for goods and services would mean a 10 per cent GST would impact disproportionately on those people paying the higher prices. We warned people about that, but the Territory’s own CLP government and its CLP senator, my colleague Grant Tambling, welcomed the GST with open arms. That is something that I know the voters will not forget come the elections this year. So what has the GST meant to Territorians?

We were promised all sorts of things. We were promised that it would give us a higher standard of living. We were also promised that the GST would result in cheaper fuel prices, which would indirectly mean lower food prices in the Territory given, we were told, that transport costs were a contributing factor to the high cost of our food. And we were told that the transport costs would reduce with a flow-on effect to our food and goods being reduced because there would be a reduced cost in the price of diesel. Well, there has not been; in fact, diesel fuel has gone up since 1 July last year, not been reduced.

Since the introduction of the GST almost eight months ago the issue of fuel prices has been a major contributing factor to the in-
crease in the cost of living for Territorians. They have been calling for relief from the excessively high petrol prices during this time. It is true that a reason for those higher prices was what happened to the world price of oil, but what is also undeniable is that the other reason petrol prices were forced up more than they needed to be was that this government broke a promise in relation to the GST. This promise said the GST will not put up the price of petrol.

Let me turn to an interview of my colleague Senator Tambling and Fred McCue on the 8DDD morning program of 12 April 2000. This is the initial interview in which my colleague Senator Tambling had a bet with the ABC presenter. He bet a carton of beer that the price of fuel would not rise under the GST.

Senator Mackay—Really?

Senator CROSSIN—that is right, Senator Mackay. Guess what? He lost the bet at the end of the day, but we will get to that. He was a little bit uncertain at the start of this interview. First of all, he said that they need not rise and that he would be very surprised if that happened—that is what he said in the start of the interview. When pressed a little later by Fred McCue—and Fred asked, ‘So you are not willing to say that they will not rise under the GST?’—Senator Tambling said, ‘Oh, hang on, they won’t rise because of the GST’. We are talking about fuel prices here. Then towards the end of the interview he said, ‘There will not be any effect of GST in petrol in our area.’ It was in that interview that he bet Fred a carton of beer that the price of fuel would not rise after 1 July.

Senator Mackay—Beer has gone up as a result as well.

Senator CROSSIN—that is right, Senator Mackay. Guess what, he never does decide to give Fred his carton of beer—and I do not think he has actually done that yet—he will probably pay even more. That is right, Senator Mackay. He should have bought his carton of beer back in April and he would have got out of the bet a lot cheaper than if he paid up now, but he lost the bet. He significantly lost that bet. Further, the Treasurer said that the government would ensure that the excise on petrol would fall by the equivalent amount of what the GST would go up by.

But what happened when the government implemented this so-called policy? Following the announcement during the last federal election campaign which was that the price of petrol would not go up due to the GST, the Howard government said that they would reduce the excise by an equivalent amount. Let us look at what happened, particularly in relation to the Northern Territory. The GST put the price of petrol up 8.2c per litre, but the excise was reduced by only 6.7c a litre; so 1½c is being pocketed on every litre of petrol that is sold every day, every week and every month of the year in this country. But let me remind people that the calculation of the 6.7c a litre was not based on any price at the bowser in the Northern Territory; it was based on a Sydney pump price. So already people in the Northern Territory were at an immediate disadvantage and were misled by this government.

There has been a windfall for the government on this that was not budgeted for. Our argument always was that the relief should be given on petrol without affecting the budget because it was a figure never budgeted for. This was not a hit to the budget; it was a windfall that should have been given back to the Australian motorist. But the windfall does not stop there. Every time the cost of fuel increases, the government pockets one-eleventh of it. Why? Because the GST is a retail tax, as I said earlier. The excise tax used to be a flat rate, but the GST is a retail tax, so if the price goes above what the government was projecting, there is another windfall.

I should point out the petrol prices in the Territory. We are paying over $1 for a litre of unleaded fuel in Darwin, around $1.08 in Alice Springs and about $1.25 at Ti Tree, which is about 250 kilometres north of Alice Springs; but the doozy is Bathurst Island, where fuel costs around $1.80 a litre. People in Sydney at the moment who are paying around 90c a litre are actually paying half of what they are paying on Bathurst Island. So an excise reduction which was calculated at a Sydney pump price and which delivered a reduction of 6.7c a litre is not much good for
people living on Bathurst Island or even for those living in Alice Springs or Ti Tree at this time. Meanwhile, there has not been any reduction in the differential in the cost of fuel between rural and regional Australia and urban Australia. So are we seeing this government treating petrol prices in a place like Bathurst Island any different to in Sydney? The answer is an emphatic no. So that is petrol.

Let us have a look at groceries. As a mother of four who sometimes shops more than once a week in the local supermarket, I have found that food prices have definitely not fallen. The price of food for Territorians was already substantially higher than for other people living in urban Australia. This evidence has been repeatedly demonstrated in this chamber, and no more so than from the Northern Territory government’s own department of health survey about the price of fuel and the impact of the GST. I presented evidence from that survey in this chamber about two years ago.

Australia wide, the price of a trolley of groceries has risen sharply under the GST, and tax experts expect the bill will continue to grow. A report in last Sunday’s Sun-Herald highlighted the impact of the GST on the cost of food, which is increasing. As their report showed, a trolley load of about 60 items, based on the same categories used to calculate the consumer price index, had increased in price by nearly $7.00 compared to a year ago. Ray Regan from the National Tax and Accountants Association said that, while major supermarkets had initially absorbed GST prices to avoid losing customers, they were now gradually recouping their losses leading to an increase in the cost of groceries.

Remember, this newspaper report is based on prices in Sydney. In the Northern Territory, prices are much higher. The country-city divide is widening under this government to the point now where people in regional Australia are paying more tax on their petrol than people in the city. They are paying more for their goods in the supermarket than people in the city. Why is this? Because we have a retail tax, as I said before. The GST is a tax on the retail price. So it is compounded where the margin is wider, and it is worse in rural and regional Australia.

Senator Mackay—Beer has gone up as well.

Senator CROSSIN—That is absolutely correct, Senator Mackay. Everybody knows that people in rural and regional Australia pay bigger margins, not just on petrol but also on food. Under the old system, everybody paid the same amount of tax regardless of where they lived.

But let us turn to the impact of the GST on small business. Most small business and self-employed people I have talked to mention the impact of the GST on themselves, the economy and other businesses. In the last month I have had the opportunity to speak with small business people in Katherine, Nhulunbuy and Alice Springs. Usually they volunteer information to me about how bad the Territory’s economy is going as a result of the GST. They also talk to me about the other businesses around town that have closed down as a result of the GST or are planning to close down. Most small businesses complain about the extra paperwork involved in the GST and problems with their cash flow as a result of the GST. In the Jabiru Rag, which is the local Jabiru paper, on 8 February this year there were quotes from some of the local business owners. For the purposes of Hansard I will not name these people. One person who owns a company that is involved in the tourist trade said that her company was in the deepest despair of all. She said, ‘Just don’t mention that GST word.’ Her business is travel—commissions, percentages, every deal a different deal, no sweet simple 10 per cent for her. She tried to explain it to the reporter, but it was just too complex.

Another person, a small but very reputable private business operator with several small interests, said they have considerably more documentation and a lot of extra work to do for no gain to anyone. They have come to believe that it is all required just so the economic planners can see exactly what they are doing. They say, ‘It’s a mess. It’s just not clearly thought out yet. It’s not what we wanted at all.’ Let me give you another example. A report in last week’s reputable
journal of note, the *Northern Territory News*, detailed how at least six automotive businesses had closed in recent months, with at least two more repair businesses likely to close at the end of this month, due to the GST and high fuel prices. The heading of that newspaper article was ‘GST fuel sends six repair firms broke.’ So, despite what the federal government claims, the business activity statement is not popular with small business owners or self-employed persons. Many businesses have closed, particularly in the Northern Territory, rather than deal with it, and they all blame the GST.

We all know the impact the GST has had on the building construction industry—and it was not a surprise. Once again, Labor’s research had predicted that the GST would have a major negative impact on the building sector. In the Territory, the once booming Territory economy has slowed to a standstill. The already high cost of building your own home in the Territory has become prohibitive to many people. In the 12 months to January, residential housing approvals in the Northern Territory fell a massive 42.4 per cent. There are not too many happy people connected to the building industry in the Northern Territory at the moment. It is also very telling that private consumption in the Territory fell from 6.9 per cent in the 12 months to December 1999 to 1.5 per cent in the 12 months to December 2000. That compares with a national private consumption of 2.5 per cent. The money is simply not there. People are not spending and the economy, particularly in the Northern Territory, is contracting. I could go on and on and talk about the negative impact of the GST on the Territory but I might, for the purpose of time, perhaps conclude my contribution this afternoon.

We know why the government has backflipped on petrol in recent weeks, and we know why the government has backflipped on the business activity statement for small business. It is not that the red light is suddenly flashing because of the impact the GST has had on food and fuel prices in the Northern Territory or on indigenous people who live in remote communities. It is not due to a desperate need by this government to try to save its hide. Instead of letting small business get on with what they want to do and what they are good at—running their businesses—and instead of considering what Australian motorists want and putting that windfall into an area that benefits motorists, this government is simply concerned with saving its own seats on the other side of this chamber.

This government is out of touch. It is arrogant. It is governing only for the top end of town and has no concerns for rural and remote Australia, particularly my constituents in the Northern Territory. The Australian economy grew for 9½ years and now it is in reverse. That is what the GST has achieved. The article in the *Bulletin* two weeks ago by Max Walsh, headed the ‘Tax and spend Liberals’ is correct: this is the highest taxing government in Australia’s history. *(Time expired)*

*Senator Hogg (Queensland) (1.51 p.m.)—In the debate on the Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001, Appropriation Bill (No. 3) 2000-2001 and the Appropriation Bill (No. 4) 2000-2001 I rise to speak about the very important issue of DIDS, the Defence integrated distribution system, which has been left in a state of suspension because of the inactivity and the malaise of this government. DIDS is the largest outsourcing contract offered under the Defence Commercial Support Program. It is a project for the commercial supply of warehousing and distribution for Defence over a period of 10 years.*

*It is a major contract, worth in the order of $1.059 billion, so it is nothing to be sneezed at or scoffed at. The letting of this contract seems to have run into a brick wall. The government’s indecision on this particular project is causing instability and low morale for the work force. The commercial support program, under which this so-called initiative was undertaken by the government, has aims, goals and objectives. It is worth referring to*
those for just a few moments. One of the stated aims of the commercial support program—and I am quoting from a Defence document—is:

To transfer support activities to the civil sector where operationally feasible, practicable and providing better value for money than the in-house provider.

There has been much done by way of market testing in the commercial support program area in Defence, but it has to be operationally feasible and practical and has to provide better value for money than the in-house provider. There are a number of objectives and principles, which I will not go through. Suffice to say that, under the heading of ‘Principles’, there are two important issues raised in the Defence document:

An in-house option is considered for each activity unless civilian employees and their representatives have made an informed decision not to develop an in-house option bid.

On this occasion, there is an in-house option bid, and the employees have been very diligent in pursuing that. The last dot point in this list says:

Bidders are short-listed and advised at the earliest opportunity.

The operative word there is ‘earliest’. If one looks at the tardiness of the government on this issue, one will see the dilemma faced by in-house bidders and commercial bidders while waiting for this government to come to a decision on this rather large outsourcing contract.

Headquarters Support Command Australia draft minute of February 1999 shows that this process commenced under a Defence directive of 29 July 1997. So it has now been in progress for some three years and at this stage there has been no result. This process was initiated and authorised to test the market—and that has been done. Everything has been complied with, but there is no result. It is ironic that, as part of the process, Defence set up a management review team. This was to be a consultative process whereby the employees and the military staff who work under Defence distribution through Headquarters Support Command would have some idea of progress that was being made in the outsourcing of the contract. One of the objectives was to include the employee representatives. The employee representatives were seen as an additional mechanism for the dissemination of DIDS project information to all affected staff.

The last part of the draft minute of February 1999 was about the decision announcement. It was stated in that draft minute that the decision announcement was scheduled for March 2000. Of course, that has well and truly gone by the wayside. The draft minute said that amendments to this date may only be authorised by the Support Commander, Army. So here we have a $1 billion project that has just run into a brick wall. It should have been reported on, according to the draft minute, by March 2000. That date has been continually pushed out, and we now end up with a degree of consternation and concern about the fate of this particular initiative that the government and Defence have undertaken. Terms of reference were drafted for the management review team. In a document that was put out by Defence there is a rather convoluted flowchart which shows the importance of the management review team in the whole of the DIDS process.

The DIDS process was meant to have the consultative initiative of the employees injected into the whole process so that there could be a statement of requirement put together before the request for tender went out. The program went along reasonably well to start with. In the first instance, a training course was convened for the members of staff who had been elected to the management review team. Nine staff were involved in one week’s training in Melbourne to help them assist in the process, and they each received a certificate at the end of the training which qualified them to use the TF2 tool as the evaluation tool in the process of setting up the statement of requirement for the DIDS program. The participants in the MRT—that is, the management review team—claim that they have never been called upon to use those skills that they gained in that course. Undoubtedly, that course would have cost Defence a substantial amount of money. They did convene a meeting of those people after they had been trained, but the meeting was only ever convened once. The meeting
was held on 10 November 1999. It was meant to be a vehicle by which the civilian employees in particular in Defence would be advised as to what was happening within the DISS program. But while that may well have been the aim, it was never really achieved. It went by the wayside, as so many other things did in this whole DISS project. I will continue my remarks on the DISS project at some time in the future.

Debate interrupted.

QUESTIONS WITHOUT NOTICE
Kyoto Protocol

Senator BOLKUS (2.00 p.m.)—My question is addressed to Minister Hill, the Minister for the Environment and Heritage. I ask the minister: is he aware of comments by the White House spokesman Ari Fleischer, and I quote:

The President—
George Bush—
has been unequivocal. He does not support the Kyoto treaty. It is not in the United States’ economic best interest.

I ask the minister: does the Australian government believe it will be able to convince President Bush to change such an unequivocal position? What representations has the Australian government made or does it plan to make to the United States on this announcement?

Senator HILL—Madam President, whether we will be able to persuade the United States of the merit of the Kyoto protocol as an instrument, I obviously do not know. The Kyoto protocol was a historic accord, in that it for the first time set a targeted reduction of greenhouse gases by the developed world—five per cent off 1990 levels. Most countries that signed that accord have since been implementing domestic programs towards achieving the targets that they agreed to at Kyoto. Certainly Australia has. In fact, we commenced our domestic response before signing the Kyoto protocol. Senator Bolkus might recall that in late 1997 the Prime Minister announced a program of domestic reforms for Australia and agreed to fund it to the extent of $180 million. Since then those programs have expanded and are being increasingly funded. Our total funding is now about $1 billion.

Australia is putting in place the domestic measures to achieve the reduction that we agreed to in Kyoto, a reduction that we thought would be difficult to achieve and has not been made any easier by our economic successes with high economic growth over the last five years. Nevertheless, we believe it represents Australia accepting a fair share of the cost of this particular global issue, and that is where we stand on it. What the United States will do, as I said, I do not know. They have been implementing some domestic responses. President Bush has announced a total review of United States energy policy and I have no doubt that that will include the issue of greenhouse gases.

Senator BOLKUS—Madam President, I ask a supplementary question. I ask the minister whether he recalls his comments in this place yesterday, when he stated:

The facts are that the Australian government supports the Kyoto protocol. ... In the meantime, we will work with our partners within the umbrella group to advance resolution of these issues, and I will be hosting a meeting of that group in a fortnight’s time.

In light of previous statements by the Howard government that it will not ratify the protocol unless the US does, if the United States does not return to the negotiating table will the Australian government be participating in continuing negotiations on the Kyoto protocol?

Senator HILL—Yes, of course we will. We believe, as I have just said, the Kyoto protocol was a mechanism to encourage a significant reduction of greenhouse gases which needs to be addressed because we are facing a serious global environmental problem. The meetings that I am intending to host will, I am assuming, go ahead as scheduled. It will be a good opportunity to discuss with American officials their then thoughts on this particular matter and how the United States might in the future meet its responsibility to contribute towards a reduction of global greenhouse gases.

Stronger Families and Communities Program

Senator SANDY MACDONALD (2.04 p.m.)—My question is addressed to Senator
Vanstone, the Minister for Family and Community Services. Minister, given that the federal government has committed $240 million to our Stronger Families and Communities Program, will you inform the Senate of the importance of supporting Australian families? Further, are you aware of any other policy commitments to Australian families and to Australian pensioners?

Senator VANSTONE—I thank Senator Macdonald for the question. We have, as Senator Macdonald identifies, allocated $240 million to the Stronger Families and Communities Program. That program focuses on early intervention, supporting family relationships, encouraging community leadership, volunteering and partnerships. And that is on top of a range of other initiatives that are particularly beneficial to Australian families. Our personal income tax cuts benefited millions of Australians, including millions and millions of mums and dads. Family tax benefit is helping 2.2 million families with over four million children. Our management of the economy also benefits Australian families, because when interest rates are low families benefit from lower mortgage repayments. Small and large businesses benefit by having lower costs and are able to employ more people and more securely employ them, and that is better for families.

However, Senator Macdonald, through you, Madam President, what do we see when we turn to the ALP and look at what Mr Swan, their spokesman, has to say? Get ready; he has made an announcement. Yesterday, Mr Swan identified for the world at large—stop the cameras and get ready—that ‘Labor has several initiatives in mind to strengthen family and community life in this country’. They have got them in mind! About nine months out from the election the best he can do is tell the electorate he has something in mind. I am glad there is something up there. Labor cannot keep going to conferences and saying, ‘We’ve got something in mind,’ and scurrying away. Having something in mind does not help the electorate know what you are going to do. Having something in mind is not saying what you are going to do. It is not a policy and it is not a commitment; it is just saying that you are still thinking. In reality, it is just a stalling mechanism because Labor cannot think of anything.

But Mr Swan went further. He said that Labor was facing up to the real social policy challenges Australia will face in the next 50 years. It sounds interesting, it sounds promising; unfortunately, having made that announcement that it was facing up to the challenges, there was a full stop—not a hint of how we were going to face up to the challenges. Mr Swan has nothing to say about what Labor or he is going to do. Mr Swan claims that Labor will—and this is a good one—‘monitor and strive to improve the wellbeing of families and their children’. Does he in his right mind think that any government should not make that commitment? Does he think it is news that the Labor Party would make that commitment? Does he think they have not loved families in the past? Does he imagine in his wildest dreams it would be acceptable for a government not to say that is a given? What the electorate wants to know is what Labor is going to do for Australian families.

I am afraid for Labor the time has come. Mr Beazley is very fond of having his photo taken with Labor icons such as Gough Whitlam, so he knows what ‘it’s time’ means. And it is time now. It is time for Mr Beazley to make commitments on costs. It is time for Mr Beazley and Mr Swan to put their policies on the table. It is time for a few policies on families, on tax, on health, on education. But in particular, it is time for Labor to tell Australian pensioners and allowees if they are going to put their money where their mouth is.

Labor says this group was short-changed by two per cent. We know that is not true. But if Labor actually believe what they say, are they going to make a commitment to increase pensions and allowances by two per cent? Is that what Labor are going to do? Are they going to make a multibillion dollar commitment to Australian pensioners and allowees? It is time for Labor to stop treating the electorate with the contempt that it does. It is time for Labor to put up or shut up.
Residential Aged Care: Waiting Times

Senator CHRIS EVANS (2.08 p.m.)—My question is also directed to Senator Vanstone, in her capacity as representing the Minister for Aged Care. Can the minister confirm that one of the Howard government’s performance measures for its aged care reforms is a reduction in waiting times for residential aged care? Isn’t it a fact that the average wait for a nursing home bed has almost doubled, from 29 days in 1998 to 55 days in 2000? Having failed to meet its own performance measure for three years, can the minister confirm that the government now intends to scrap that measure and will no longer publish waiting times for nursing homes? Why don’t frail older Australians and their families deserve to know how long they are going to have to wait for a nursing home bed to become available under the Howard government?

Senator VANSTONE—Senator Evans, you are a fairly regular participant at estimates committees and, I might say, one of the more polite participants. You are never rude to public servants, and I take the opportunity to give you acknowledgment for that. There are a few on the other side, Senator Evans, who would not get such an accolade. I do not want to be nasty today and tell you who they are, but they are there.

Senator Chris Evans—All I want is an answer, not an accolade.

Senator VANSTONE—Senator Evans, you are a fairly regular participant at estimates committees and, I might say, one of the more polite participants. You are never rude to public servants, and I take the opportunity to give you acknowledgment for that. There are a few on the other side, Senator Evans, who would not get such an accolade. I do not want to be nasty today and tell you who they are, but they are there.

Senator VANSTONE—Well, I will give you the answer, Senator. In the last two years, Mrs Bishop has released 22,000 new aged care places. That is to make up for the deficit found by the Auditor-General of 10,000 aged care places left by the Labor government, and to meet the need for new growth. Let me recap: over the last few years, Mrs Bishop has released 22,000 new places to make up for what the Auditor-General said was a 10,000 place deficit in aged care places left under Labor, and to meet the needs of new growth. As a result of the 2000 round announced on 12 January this year, more than 700 aged care providers have been granted over 14,000 new aged care places worth over $156 million in a full year. Also allocated was $30 million in capital grants for residential care homes, $9 million for restructuring and $5 million in capital to establish community aged care packages. In total, an additional $200 million is being made available for aged care across Australia as a result of this round. That is in addition to the $3.9 billion anticipated to be spent on residential aged care in the 2001 financial year. The allocation of aged care places to aged care providers will mean that there are an extra 7,642 residential aged care places and an additional 6,532 community aged care packages that allow people to remain in their homes—

Senator Chris Evans—Madam President, I raise a point of order on relevance. I asked a question about waiting times and the publication of waiting time figures. I know that the minister turned to the first aged care brief she had, but that does not relate to the question I asked and I would appreciate an answer to the question.

The PRESIDENT—There is no point of order.

Senator VANSTONE—I thank you, Madam President. Senator, if you do not understand that the provision of new places does something in relation to waiting times, you should not be here. In any event, Senator, this is a real problem: if you have ever had to find a place for someone who needs...
have not formed the decision to enter residential care at the time of the assessment.

The government is supporting the provision of much better information for people to make their choices—for example, through Centrelink. Some older people might obtain the assessment but choose not to proceed to entry to residential care for quite some time, while others may prefer to wait for a place in a particular home—for instance, due to religious preferences. There is already some evidence that older Australians are checking accreditation and certification status as a sign of quality care. Services that provide a single room in individual homes have almost doubled the entry period of other services. This demonstrates that older people are willing to wait for the right place. Much of the apparent increase in entry periods for high care can be explained by the additional choices that residents now have for community care, respite care and low level care. Through the Staying at Home measures, the government has massively increased the number of packages and therefore places. On 30 June last year, there were 17,990 community aged care packages across Australia, up 4,000 from 1996, and these people receive a substantial level of care in their own homes. (Time expired)

Senator CHRIS EVANS—Madam President, I ask a supplementary question. I think people in Australia will be staggered to know that the minister thinks that people who are assessed as needing aged care are willing to wait when they need desperately urgent nursing care. Minister, isn’t it a fact that the waiting times have doubled and that this year you have decided not to publish the figures to hide from the embarrassment that the waiting times have gone through the roof and that aged people in this country cannot get a nursing home bed when they want to? It is not that they are willing to wait; they just cannot get one.

Senator VANSTONE—Senator, I have indicated to you that a significant number of the high care residents, 15 per cent, are placed within two days. It is always a difficulty. I am a little bit embarrassed for you that you have asked this question, because the reason there is a problem is that your government left this sector in such a state of disrepair. Slowly but surely, this government has been rebuilding the disaster that you left behind—and you criticise me for identifying for you the new places that were provided this year: new places to fill a shortfall, identified by the Auditor-General—not by us, it is not a political comment—and you criticise us for trying to fill those places. You created the mess; this government is slowly and surely fixing the mess that you left behind.

BHP-Billiton Merger

Senator FERGUSON (2.15 p.m.)—My question is directed to the Minister for Industry, Science and Resources, Senator Minchin. Will the minister advise the Senate what the implications of the proposed BHP-Billiton merger are for the Australian minerals industry and how the government is helping the mining industry to boost exports and jobs? Is the minister aware of any alternative policies?

Senator MINCHIN—The government warmly welcome the announcement by BHP of its proposed $57 billion merger with Billiton. We do think this is great news for Australia and for its resources industry, which, as we would all know, contributes some $50 billion to the Australian economy every year. This merger will bring about, in Australia, a company that will be the largest diversified mining company in the world, headquartered here in Australia in Melbourne. The new company will employ some 58,000 people and have operations in six continents but still have 52 per cent of its earnings coming from its Australian operations. I think it is a reflection of the great environment that we have created for the resources sector, which is now highly competitive internationally. Last year our mineral energy exports were $44.4 billion—an increase of 13 per cent—and they are on target to rise a further $10 billion this year to a record $54.9 billion. Along with the merger with Billiton, BHP have announced that they propose to spin off their remaining steel assets and, of course, in particular the world-class Port Kembla steelworks. I met with the chairman of BHP last week and the head of steel, who assured me that they have every confidence in the future for the steel business and its future as a spun-out entity.
I was asked by Senator Ferguson about alternative policies and approaches. It was interesting that, while I think most people in the community were welcoming the BHP proposal—which, as I say, will see an Australian company become a world leader in resources—we saw one of the most miserable, pathetic and confused performances we have ever seen from Mr Beazley on the 7.30 Report, where Kerry O’Brien ripped him to pieces. Of course, all Mr Beazley was doing was pandering to his trade union mates. The commentary the next day was very interesting. On Channel 9, the very respected Michael Pascoe said:

The only sour note has been the performance of Kim Beazley. It’s hard to know whether he doesn’t understand what BHP has achieved or just prefers making a little populist capital in showing that he’s out to settle old scores for the union movement.

The Australian’s Mark Westfield said of Mr Beazley, ‘His responses were negative, showed little grasp of the implications of the merger,’ and, more worryingly, ‘He is signalling that Labor will try to tap into the nationalistic, antiglobal sentiment being promoted by One Nation.’ Condemnation of Mr Beazley if ever I have seen it. Of course, what we see here is that Labor is on about pandering to its union bosses; it wants to reregulate industrial relations to satisfy its union mates—of course, to the enormous cost of not only the minerals industry but the Australian steel industry. We are seeing already in Victoria, just today, Toyota and Orica complaining about the hopeless industrial relations climate in Victoria under that Labor government.

But the real danger for the viability of the Port Kembla steelworks and the new steel business is the opposition’s hopeless policy on greenhouse, where they intend to introduce a domestic emissions trading scheme ahead of any global system, which would be disastrous for the competitiveness of Australian value added industries, like the steelworks at Port Kembla, like the great Australian LNG industry. As I said before, I do not think the right wing of the Labor Party have cottoned on to what Senator Bolkus has locked them into. This would be a hopeless policy for Australian industry—condemned by all of Australian industry along with the decimation that would result from the industrial relations policy of the party. It is no wonder that this week’s survey in BRW magazine shows that Australian business does not want a bar of Mr Beazley. (Time expired)

Queensland: Aged Care Places

Senator GIBBS (2.20 p.m.)—My question is addressed to Senator Vanstone, the Minister representing the Minister for Aged Care. Can the minister confirm that, while elderly Queenslanders make up 17 per cent of the country’s population aged 70 and over, Queensland has received just seven per cent of all new aged care beds allocated by the government over the last two years? Didn’t Brisbane get just two nursing home beds in the last allocation round? Isn’t it a fact that over the next two years there will be a growing shortage of aged care beds, because of the Howard government’s failure to allocate enough new beds to Queensland?

Senator VANSTONE—Senator, I will not take up a lot of your time, because I do not have a brief specifically relating to Queensland. But I ask you to look at the Hansard of the answer that I gave to Senator Evans. You were not a part of the decision making process at the time, but the party of which you are a member, when it was in government, did an appalling job in this area—and this government has been rebuilding it. Senator, I will get you a brief on the nursing places in Queensland, and I will get it to you as soon as I can.

Senator GIBBS—Madam President, I ask the minister a supplementary question. Hasn’t this situation of a growing shortage of aged care beds in Queensland occurred despite the fact that Queenslanders had the longest wait for residential care in 1999, with an average of 93 days? Why is Queensland being short-changed by the government in its allocation of aged care beds when there is clearly a growing shortage of, and lengthening waiting list for, residential care.

Senator VANSTONE—The answer is the same as the one to the original question: I do not have a brief on the specifics in relation to Queensland. I can assure you, Senator, be-
cause nobody in their right mind—and you are in your right mind—

*Opposition senators interjecting—*

**Senator VANSTONE**—unless there has been a change; you were the last time I spoke to you—expects or imagines that ministers know everything, every little fact, that their department knows. If there is a detailed matter that you have an interest in—I know you are interested in your own electorate—and if you contact me, I will get you all the information you want. If, on the other hand, you want to come in here and see if you can ask the most detailed question you can so that you get a limited answer, then keep at it. But I am making the offer: if you want information, all you have to do—

*Opposition senators interjecting—*

**The PRESIDENT**—Order! The shouting on my left is completely out of order.

**Senator VANSTONE**—I mean that quite genuinely. I understand you are interested in your electorate. Every senator here is interested in theirs. If you want detailed information in relation to your electorate, you simply have to pick up the phone and ask me, and I will get it for you. *(Time expired)*

**Grey Headed Flying Fox Colony:**
**Melbourne Botanical Gardens**

**Senator ALLISON** (2.23 p.m.)—My question is to the Minister for the Environment and Heritage. I refer to the Victorian government’s sanctioning of the killing of a thousand threatened grey headed flying foxes in the Melbourne Botanical Gardens. Given that the grey headed flying fox is classified in the *Action Plan for Australian Bats* as vulnerable to extinction and given that your Threatened Species Scientific Committee is currently reviewing the conservation status of that species, will you ask the Victorian environment minister to stop killing these bats?

**Senator HILL**—I understand that there is a serious problem in the Melbourne Botanical Gardens arising from a large population of grey headed flying foxes.

**Senator Faulkner**—Bats.

**Senator HILL**—They might be bats to you but they are grey headed flying foxes to me, Senator.

**The PRESIDENT**—Order! Senator Hill, ignore the interjections.

**Senator HILL**—Show some respect for the foxes. It is a serious issue and something—

**Senator Faulkner interjecting—**

**Senator HILL**—Because your colleague was not taking it seriously.

**The PRESIDENT**—Order! There are too many conversations in the chamber.

**Senator HILL**—It is a serious issue. I know the director and staff of the gardens have been searching for a solution other than culling and do not believe that there is such a solution. I have said to the Victorian authorities that, whilst I understand they need to protect the trees and vegetation within the park, some of which are very old and which are seriously threatened, I hope they do exhaust all non-lethal methods of alleviating the problem. That is the message that I have passed on to the Victorian authorities. In relation to the issue of conservation status, it is true that the Commonwealth scientific committee is reviewing the status of the grey headed flying fox, and no doubt I will receive that advice in due course.

**Senator ALLISON**—Madam President, I ask a supplementary question. Minister, will you receive that advice in good time to stop the killing of the bats, should it be that they should be protected, and will you move quickly to list the species under the Environment Protection and Biodiversity Conservation Act?

**Senator HILL**—I will consider the advice as soon as I get it. But the honourable senator should not assume that the scientific committee will find that they are vulnerable or endangered. I understand that there is significant scientific debate on that question and the experts are divided. But whether they are listed or not, I have said to the honourable senator that I would prefer Victoria to find a non-lethal way of solving this particular problem, and I hope that they are exhausting all such options.
Aged Care: Northern Territory

Senator CROSSIN (2.27 p.m.)—My question is to Senator Vanstone, representing the Minister for Aged Care. Can the minister confirm that the Howard government recently allocated 50 aged care beds to the Moran Health Care group in Darwin, which represented 75 per cent of all aged care beds allocated to the Northern Territory in 2000? Is the minister aware of recent comments by Mr Shane Moran that the Moran group will be handing all of these places back to the federal government because they do not consider them viable under the current arrangements? Doesn’t this follow the government allocating the entire aged care bed allocation for the Northern Territory in 1999 to the Moran group, beds which are yet to be put in place?

Senator VANSTONE—Apparently the Moran Health Care group has suggested that it may return the Darwin aged care residential places allocated in the 2000 round, as it was not successful in its application for a capital grant. In the 2000 aged care approvals round, 65 grants totalling $29.5 million were allocated under the residential care capital grant program. That was in addition to $8.9 million allocated as capital grants for restructuring. Moran’s application was one of 272 applications for capital funding received, and requested a contribution of 50 per cent of the estimated costs of the project, $4 million, to build a 50-bed home. Residential care capital grants are allocated through a competitive process and, given the limited funding available, funding is directed to the organisations with the least capacity to self-fund their projects. The application did not demonstrate a lack of capacity to fund the building of the service.

Financial modelling undertaken within the Department of Health and Aged Care and for the two-year review of aged care reforms shows that sufficient funds are being generated by the current arrangements to meet the industry’s overall capital requirements. It is acknowledged that services operating in rural and remote areas are disadvantaged relative to the metropolitan services in terms of their access to funds for capital works and their relatively greater operating costs. The government recognises that and has allocated $10 million a year and a further $25.6 million over the 2001-02 period for capital assistance targeted at rural services and other special needs groups. That is in addition to the $28.2 million the government has provided for restructuring assistance for the elderly. Mrs Bishop is also considering alternative options for care delivery in remote areas, which may address related capital and funding issues. Senator Crossin, I know that does not answer everything that you asked but, such as it does not answer anything that you asked, I will refer those other matters to Mrs Bishop and ask her to respond.

Senator CROSSIN—Madam President, I ask a supplementary question. Minister Vanstone, how long will Northern Territorians have to wait for the new aged care beds that were allocated in 1999 and 2000? Given the current shortage of beds in the Territory, will the government commit immediately to reallocating any beds that are returned? What action has the Minister for Aged Care taken to get these badly needed beds in place instead of seeing frail, aged persons in the Northern Territory being sent interstate to find a nursing home?

Senator VANSTONE—I am sure Mrs Bishop is doing everything she can to resolve this matter as quickly as she can.

Senator Chris Evans—She’s the one who told him to say they’re willing to wait!

Senator VANSTONE—I will ask Mrs Bishop to give some indication of what she sees as the appropriate time frame. I take the opportunity to note Senator Evans’s interjection and to add—because this is of benefit to Northern Territorians as well—that the time to take up a place after an assessment has now shifted from 90 days to 12 months. That, of course, means that people do get an assessment and they do take their time to make a choice.

Environment: Sandmining

Senator WOODLEY (2.31 p.m.)—My question is addressed to the Minister for the Environment and Heritage, Senator Robert Hill. Minister, is the government concerned about the proposed sandmine to be developed by CSR on a site adjacent to Pumices-
tone Passage, which is part of the Moreton Bay Ramsar listed wetland in southern Queensland? Is the government aware that the Pumicestone Passage is covered by three environmental treaties: CAMBA, the Chinese Migratory Bird Agreement; JAMBA, the Japanese Migratory Bird Agreement; and the Ramsar convention? Minister, will you take action on this issue using your powers under the Environment Protection and Biodiversity Conservation Act 1999?

Senator HILL—I am aware of the issue and, in fact, I heard Senator Woodley’s speech on the subject yesterday. It was a good speech. We are concerned about Moreton Bay, a Ramsar listed area, which has been suffering as a result of a number of factors relating to the intensity of development, acid sulfate issues, excess nutrients and the like, and the Commonwealth have contributed significant sums of money to the program that is being implemented by the Queensland state government and the Brisbane City Council, in particular, to address these issues. Further major developments could have detrimental consequences adding to those I have just mentioned, and therefore the consequences need to be considered carefully. I do not believe that we have yet received an application under the EPBC Act but, as the honourable senator knows, the law is that if a proposed development may have a significant consequence on a matter of national environmental significance then the party is to refer it to the Commonwealth. The environment minister then decides whether the act is triggered and, if the act is triggered, the environment minister’s approval is necessary for the development. So I am waiting to hear further in that regard.

One particular issue that comes to mind is acid sulfate consequences. I am not sure of the extent of the overburden of this particular property, but the blue-green algal blooms that were referred to by Senator Woodley in the Elimbar, in particular, are believed to have been caused by a number of factors, including acids resulting from disturbance of acid sulfate soils. That, in particular, will be one issue that will need to be looked at if the matter is referred to the Commonwealth.

Senator WOODLEY—Madam President, I ask a supplementary question. I thank the minister for his answer. Perhaps I will just press the question a little more. Minister, are you aware that this development is only 200 metres from the boundary of the Ramsar listed wetland and will have an irreversible impact on the region’s hydrology? The final question is: will the government oppose this development?

Senator HILL—it is premature to decide on an application for approval that has not yet been made, but I do hear what Senator Woodley says about the close proximity to the Ramsar listed wetland. Ramsar listed wetlands are matters of national environmental significance. My department has written to CSR, pointing out the EPBC Act and its provisions, and I assume that if Senator Woodley’s characterisation of the development is correct then an application will be made.

DistingUished VISITORS

The President—Order! I draw the attention of honourable senators to the presence in the chamber of Mr Kim Min-Seok, a member of the National Assembly of the Republic of Korea. On behalf of honourable senators, I have pleasure in welcoming you to the Senate and I trust that your visit will be both informative and enjoyable.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Nursing Homes: Bed Shortage

Senator CROWLEY (2.35 p.m.)—My question is addressed to Senator Vanstone, representing the Minister for Aged Care. Can the minister confirm that, according to the government’s own targets, every rural South Australian region has a nursing home bed shortage and that these shortages total over 500 beds across the state? Why, then, did the Howard government recently allocate only 17 additional nursing home beds to rural South Australia and only 24 nursing home beds to the entire state? Why weren’t enough beds allocated to meet the shortage in the minister’s home state that even her own government admits exists?

Senator VANSTONE—Senator Crowley, thank you for the question. But I do ask to
you bear in mind that, in 1984, there were 100 beds for every 1,000 people over 70 years of age and that, under your government, the provision of beds for every 1,000 people over 70 years of age dropped to a figure of 93 or 91 beds. That is an indication—in smaller figures for you, Senator, to make it easy to understand—that your government did not do a good job in this area.

I will not repeat all the details I gave to Senator Evans about the new places. I am sure you were listening to that. But, in particular, of the new places that I mentioned—the 22,000 new aged care places, including 14,000 places that were worth $156 million in a full year, and $30 million in capital grants—over 1,400 places, worth $15.2 million, were allocated to South Australia. South Australia will receive $1.8 million in capital grants, $1.1 million in restructuring grants and $400,000 in capital to establish community aged care packages.

These new places and grants are in addition to the $421 million spent by this government on aged care in South Australia in the last financial year. The last two approval rounds take the total allocated places for South Australia to over 108 places per 1,000 people aged 70 and over. That takes me back to the figure, Senator—100 beds was used as the benchmark figure when we left office but your government reduced that figure to the low 90s. There are now 108 places per 1,000 people aged 70 years and over in South Australia.

In the 2000 aged care approvals round, the metropolitan regions in South Australia were allocated a total of 878 packages, including 406 residential care places and 472 community aged care packages. As a whole, metropolitan South Australia is well supplied for aged care, with a ratio of 112 allocated places per 1,000 persons aged 70 and over. A small number of nursing homes in metropolitan South Australia have closed or have indicated to the government that they wish to restructure or sell their premises. Only 84 places are currently not operational as a result of these proposed restructures. These, however, have been offset by the allocation of 15 emergency bed allocations and 66 that have become operational since the new allocations were announced in January last year.

Senator, I will have a look at the detail of your question. That is the sum total of information I have in respect of South Australia. If there is anything in your question that is not answered by that, I will refer it to Mrs Bishop and ask her to respond.

Senator CROWLEY—Madam President, I ask a supplementary question. Thank you for your answer, Minister, but you highlight the point that there is a shortage of some 500 beds across the state. Won’t the government’s failure to address the shortage of nursing home beds in South Australia leave older Australians in those regions waiting longer and longer for aged care? Will the minister be approaching the Minister for Aged Care on behalf of those people in her home state to demand that something is done to address the chronic shortage of nursing home beds in South Australia, a state that once shone under previous Labor governments with adequate beds?

Senator VANSTONE—It is not often that Senator Crowley takes my breath away with audacious claims such as the one she just made. Senator Crowley knows that her own party did not do a good job in this area—despite, I might say, her own efforts. I repeat, Senator: I will look at your questions and—to the extent that they were not answered by the detail that I did give you—if there is more detail that can be provided I will ask Mrs Bishop to provide it.

Problem Gambling

Senator KNOWLES (2.41 p.m.)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Alston. What support is there for the government’s strong and decisive action to combat the tragic social consequences of problem gambling? Is the minister aware of any alternative approaches in dealing with this very serious social matter?

Senator ALSTON—I thank Senator Knowles for the question. I think she knows, as everyone else in this chamber knows, that 92 per cent of Australians believe there are already too many poker machines in this country. We are the poker machine capital of
the world and they want something done about it. That is why the director of the Tasmanian Council of Social Services has called the government’s proposed ban a major coup and that is why the Reverend Tim Costello has said that the ban is a great outcome to protect Australians.

Senator Woodley interjecting—

Senator ALSTON—I thought Senator Woodley actually made a very telling point when he said that Australia has one of the worst gambling problems in the world and we need more gambling like a hole in the head. Amongst those 290,000 problem gamblers, you have to include a number of state Labor premiers, Senator Woodley, who are absolutely addicted to gambling and need a bit of help. But it is encouraging to know that Bob Carr, the Premier of New South Wales, is right behind the ban; Terry Mackenroth, the Deputy Premier of Queensland, acknowledges that most Australians probably do want restrictions on gambling; and Mr Bracks backs the intent of legislation.

You do not get any of that sort of stuff from Mr Beazley, do you? No, because he is weak on drugs and he is soft on gambling. This ought to be big ticker time. This ought to be an opportunity for the Labor Party to recognise the enormous community concern that is out there. As John Laws said yesterday, we are pretty well covered for gambling options as it is. Many people have phone accounts, so I do not know why we need the Internet to bet. Why do we need more opportunities to lose more money? That is the real issue here. Why do you want to see more gambling in this country? Why on earth do you put the interests of the gambling industry ahead of the interests of Australian families? This mob will bag the big end of town when it suits them, but here we have them not prepared to look at the interests of Australian families. (Time expired)

Centrelink: Job Cuts

Senator CHRIS EVANS (2.45 p.m.)—My question is directed to Senator Vanstone, the Minister for Family and Community Services. Can the minister confirm that Centrelink call centre staff numbers have been cut by 600 in the nine months to February this year, with staff numbers in Townsville cut from 182 to 110; in Geelong, from 308 to 176; in Bunbury, from 242 to 224; in Gosford, from 163 to 154; in Port Macquarie, from 128 to 117; and in Toowoomba, from 113 to 107? Whatever happened to the Prime Minister’s Nyngan declaration that a red light would go off at the prospect of service
cuts in rural and regional areas? Did it go off before these job cuts were made in regional offices of Centrelink? If it did, why wasn’t the minister paying any attention?

Senator VANSTONE—Senator Evans, I repeat the offer to you that I made to one of the previous senators. If you want detailed answers, such as the one that you do, the sensible thing for you to do is simply pick up the phone and ask. This is the most open government that you will ever experience. If you want some information in that respect, you should simply ring up. That is a very detailed question, Senator. I do not have an answer in relation to it. I will get one and come back to you.

Senator CHRIS EVANS—Madam President, I ask a supplementary question. I thank the minister for the non-answer and point out to her that, for many of the questions on notice we have given her, we have been waiting 200 days for an answer. We actually use question time for questions, which is what the purpose of this period in the parliament’s time is. Minister, don’t internal Centrelink data show that these cuts in staff resources have directly led to over 80 per cent of clients not being able to get through to an operator when they try to call Centrelink and the waiting times for job seeker interviews blowing out to two weeks or more?

Senator VANSTONE—Senator, generally speaking, I think politics is a bit like ‘all is fair in love and war’. But you accuse me of not answering your questions in 200 days when I have had the job for 50-something days. Do we have any primary school children up there? I got the job at the end of January. Could there possibly be 200 days between the end of January and now? Senator, I do not think so. This is just another example—

Senator Chris Evans—So it is not the Labor government’s fault; it is the former minister’s fault!

The PRESIDENT—Order! Senator Evans!

Senator VANSTONE—There has been a 20 per cent increase in people wanting to use the phone in the last year. That is an indication of how good the call centres are. We have got more people coming on, and all of those should be online by some time in early July. Some of them will start in May. The call centre time is not satisfactory at the moment. It does need to be improved. I might say, Senator, if some of your colleagues stopped scaremongering and upsetting elderly Australians, they would not ring Centrelink to find out what was going on. Your false campaigns in the electorate have a direct response. You try to scare people—

(Time expired)

**Environment: Water Catchments**

Senator BARTLETT (2.49 p.m.)—My question is to the Minister for the Environment and Heritage. Can the minister confirm that the Fitzroy and Burnett water catchments have been identified as priority targeted problem areas under the national action plan for salinity and water quality? Isn’t it the case that the Paradise Dam and the Nathan Dam, which are being proposed by the Queensland government, would increase the salinity and water quality problems that already exist in these catchments? Will the minister guarantee that funding will not be made available to the Queensland government under the national action plan unless the Queensland government stops the development of these damaging dams?

Senator HILL—I think the Queensland Labor government made promises during the recent election to build at least one of those dams within a specified period of time. I will check up on that. The issue of the WAMP, the water allocation management plan, in Queensland has illustrated particular problems. We have contributed advice both through Environment Australia and through the Great Barrier Reef Marine Park Authority to Queensland in its assessment process. It is true that we would only support a dam that was not going to result in significant environmental damage. I suspect that, unlike the Democrats, we are not opposed to dams per se. There are circumstances in which dams can contribute to improved economic outcomes for rural people. That is in the national interest, but it is also in the national interest to learn from the experiences of the past. Damming in inappropriate places or in unsustainable circumstances leads to signifi-
The significant economic degradation that has to be paid for ultimately. In relation to the Commonwealth contributing to the cost of those dams, I am not aware that the Commonwealth is doing so. I will seek further information on that matter.

**Senator BARTLETT**—Madam President, I ask a supplementary question. Minister, is it likely that building the Nathan Dam, the Paradise Dam or both would breach the Queensland government’s commitments under the COAG water reforms? The minister would be aware that by June the National Competition Council will be making their third tranche assessment of state governments’ progress in implementing these water reforms. Will the minister ensure that funds are not paid to Queensland through these NCC recommendations if these dams are assessed to be against the progress of water reforms?

**Senator HILL**—The COAG endorsed NCC process is certainly examining all stressed river systems and water catchments—and that one in particular. My department is assisting the NCC in that regard. They will make a recommendation to government in due course. They have demonstrated in the past that, if the states have not complied with the criteria—and in this instance they are assessing outcomes as well as processes; whereas in past instances they have been really requiring the states to put in place processes, now they are looking at the outcomes of those processes—and the required standards then I presume the recommendation will be to withhold some of their funding.

**Health: Dental Services**

**Senator FORSHAW** (2.53 p.m.)—My question is directed to Senator Vanstone, the Minister representing the Minister for Health and Aged Care. Has the minister studied the report by the Australian Institute of Health and Welfare which was released last week, which has highlighted the severe disadvantage suffered by low income earners because of their inability to afford private dental care? Is the minister aware that cost prevented low income people seeking treatment in 39 per cent of cases? That is up from 28 per cent just four years ago. Further, will the government restore funding for the Commonwealth dental scheme in order to ensure appropriate dental care for the most disadvantaged members of the community?

**Senator VANSTONE**—Senator, as you no doubt understand, the dental scheme was introduced with a limited time frame on it. It was there to help the states out, because they had unacceptable lists. The Commonwealth stepped into an area that has not been its responsibility, to help out. There was a time limit on that program. Dr Wooldridge is aware of the report of the Australian Institute of Health and Welfare. He shares the concern—as I am sure everybody here does—that anyone would have to wait longer than necessary for dental treatment or, as the report indicated, that some might receive second-rate dental treatment. Australia, as you know, has a mix of public and private dental care. Most services are provided by dentists in private practices.

For many Australians, especially families, the key access to affordable dental services is through their private health insurance ancillary cover. Senator, you will be pleased to know that a policy has been implemented that the opposition once opposed, and that is access to a 30 per cent private health insurance rebate for ancillaries. This helps normal Australians to have access to affordable choices in health care, including dental services. That is the sort of care that might be put off if their cover is not there, thereby compounding access problems. But that does not apply to those who do not have private health insurance. I just mentioned it because a lot more have it because of that policy that you originally opposed.

Those who are eligible for public dental assistance are not helped by that. Australia therefore has a network of public dental health services operated by the states and territories, which is available to eligible Australians in financial need. They are contracted services under state government control—and rightly so, as it ensures responsibility and accountability. It is just all too easy, in reaction to that report, to say—as some have—that the Commonwealth should take up the slack in every state and territory area of health responsibility. In fact, across
the board, particularly in public hospital funding, the government has steadily increased spending on health services since 1996. The growth of our public hospital spending is more than keeping pace with the growth in comparable state contributions. As Dr Wooldridge said about five years ago, we cannot fund everything we would like to. Part of being in government is about making hard choices and about competing priorities in a very tough fiscal environment. It was that way five years ago and it is that way now.

It is all too easy to blame the Commonwealth for not continuing with the Dental Health Program that the Keating government always intended to be temporary. It met the limited treatment target set for it and Labor gave no commitment to retain it beyond 1996. Most disappointing is that this temporary program is now seen by some as some sort of panacea in relation to dental care. It should be seen for what it was: a spur of the moment and opportunistic election promise. It did not fix public dental waiting lists; it merely paid for a number of targeted services. It was largely temporary window-dressing. It did nothing to encourage the states to invest in making their public dental health services more effective or stop them from shifting their own dollars from dental care to other things. Sadly, it offered false hope to disadvantaged Australians. In other words, by the Commonwealth stepping in and giving a short-term program it encouraged the states to withdraw their money and put it elsewhere.

Dr Wooldridge would assure the House of Representatives—and I am sure he would assure us if he were here—that we did not abolish the Commonwealth Dental Health Program lightly back in 1996, but we stood by the decision of why we had to take it. We are always happy to work constructively with the states to help them meet their own responsibilities. But it is just not fair to those thousands of people waiting for public dental treatment for anyone to say that the Commonwealth—

(Time expired)

Senator FORSHAW—Madam President, I ask a supplementary question. I take it from your answer, Minister, that you are not prepared to give a guarantee that you will restore funding for the dental scheme. You have also tried to put the blame on the states. In light of your answer, how does the minister justify blaming the states when the Commonwealth, at least, has responsibility for around 75,000 residents of Commonwealth funded nursing homes, who have the severe dental problems in many cases that the states are unable to provide for? Why should nursing homes residents suffer pain and misery simply because the federal government does not think that their health needs include dealing with severe dental problems and tooth decay?

Senator VANSTONE—Senator, on your behalf may I say as politely as I can: it is a very unsophisticated argument to say that you are blaming the states when you simply point out that as a matter of history it is the states’ responsibility. That is not blaming the states; that is simply telling you the facts as they are. I might add that in the area of dental health some states have been improving—and improving quite dramatically. I am pleased to say that my own state has. Just in case you think I am partisan or parochial, so has the state of Victoria. Those states are getting on with the job of living up to their responsibilities.

Senator, you are going to have to do better than coming in here and suggesting that the Commonwealth should simply take over when the states fail. It is not the role of the Commonwealth to take over when the states fail. It is the role of the Commonwealth to work with the states and prod them into doing the job that they ought to do. That is why, when you introduced the Dental Health Program, you never committed to it going past 1996.

Roads: Funding

Senator CRANE (3.00 p.m.)—My question is to the Minister representing the Minister for Transport and Regional Services, Senator Ian Macdonald. Will the minister outline the federal government’s increasing financial contribution to the maintenance of Australia’s roads since 1996 and, in particular, the progress on the Roads to Recovery initiative? Would the minister also tell us whether he is aware of any contributions
made by any of the state governments to assist with the maintenance of the local roads network?

Senator IAN MACDONALD—I know that Senator Crane drives many kilometres in the vast state of Western Australia, which he represents. I know that he has pride, as I have, in the work that the Howard government has done on road funding since it came to office in 1996. Senator Crane, this year $710 million has been spent on the national highway and $148 million has been spent on roads of national importance. Since 1996, the Howard government has increased funding by some $50 million for local roads through financial assistance grants to local authority councils, bringing the amount to some $405 million that will go to local roads this year.

The coalition government has again started funding the very highly successful Black Spots road program, which was axed by the Labor Party. This is a very beneficial program that saves hundreds of lives, but it was cancelled by the Australian Labor Party. This year we will be spending about $41 million to fix almost 400 serious crash sites across Australia, through our Black Spots program.

I am very pleased to say that the government’s $1.2 billion Roads to Recovery program is working very well. You might remember, Madam President, that this is the program Mr Beazley called ‘boondoggling’. He said it was all about pork-barrelling. He should ask some of the Labor run councils how grateful they are for the money they have received. So far, some $37 million has been paid to 319 councils across Australia as their first quarterly payment, with more payments being made every week, and 512 councils have now registered their details on the web site. On top of the $1.2 billion for the Roads to Recovery program, the Howard government announced just before Christmas an additional $400 million for the national highway and roads of national importance. So the Howard government has a very proud record.

I was also asked what the states have contributed towards local government. In 1997-98 Victoria spent $14 million on local roads, compared with $80 million spent on local roads by the federal government.

Senator Conroy interjecting—

Senator IAN MACDONALD—You said that was during Mr Kennett’s time—yes, it was. But this year, under the Bracks Labor government, Victoria has spent only $9.6 million on local roads. The Victorian Minister for Transport, Mr Batchelor, said, ‘This is primarily a federal government responsibility.’ Tomorrow, the Victorian government will get $5.5 billion, which is their share of the GST revenue. I challenge the Victorian government to spend just some of that $5.5 billion on matching the federal government’s Roads to Recovery program. The Queensland Labor government spend only five per cent of the local roads funding contributed by the federal government. Tomorrow, the Queensland government will receive $5 billion, which is their share of the GST revenue, and they spend a pittance on local roads. I challenge the Queensland government—

(Time expired)

Senator CRANE—Madam President, I ask a supplementary question. In your answer to the second part of my question, Minister, you mentioned Victoria and Queensland. There are a number of other states, including Tasmania, as my colleague Senator Calvert reminds me. Can you provide information to us about road funding in other states?

Senator IAN MACDONALD—I do not have those figures exactly to hand, but I do remember about Tasmania.

Opposition senators interjecting—

The PRESIDENT—Order! Senators on my left will come to order.

Senator IAN MACDONALD—I do not have the details on every state, but I do have them on Tasmania. It is a very easy statistic to have in mind, because it is absolutely zero. The Tasmanian government does not contribute one cent to local government roads.

Senator Mackay interjecting—

Senator IAN MACDONALD—Senator Mackay keeps yelling out. She should ask the Tasmanian Treasurer why he spends zero
dollars on local roads. So the story continues—

*Honourable senators interjecting—*

**The PRESIDENT**—The chamber will come to order.

**Senator IAN MACDONALD**—Tomorrow, all of these state governments will share in the total GST revenue. All of them will get their money tomorrow. I challenge Tasmania, Queensland, Victoria and all of the states to join with the Commonwealth government in the Roads to Recovery program. There is $1.2 billion by the Commonwealth, let us see the colour of the states money. *(Time expired)*

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

**ANSWERS TO QUESTIONS WITHOUT NOTICE**

**Parliament House: Greenhouse Advertising Program**

**The PRESIDENT** (3.07 p.m.)—I wish to provide the chamber with a clarification of the response to Senator Brown’s question of 27 March. With leave of the chamber, I will incorporate the clarification and additional information in *Hansard*.

Leave granted.

*The document read as follows—*

The Department of the Parliamentary Reporting Staff has provided further detail on the television sets utilised in Parliament House. The two hundred percent increase in life expectancy applied to older 1988 vintage television sets in Parliament House, which were not generally available to the public and are currently being phased out. The replacement sets utilise 3 to 5 watts in stand-by mode as I advised yesterday.

The stand-by consumption for the replacement sets would create some 20 kilograms or on average 20 kilowatt hours of green house emissions each per annum, rather than the 150 kg or on average 150 kilowatt hours of green house gas emissions the Australian Greenhouse Office advises could be saved by turning off a household set at the wall when not in use. There is no evidence that turning off the newer generation sets would lead to shorter life expectancy.

**Residential Aged Care: Waiting Times**

**Senator CHRIS EVANS** (Western Australia) (3.07 p.m.)—I move:

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

The minister in question time today was unable to explain the government’s failure to provide enough aged care beds to support the needs of the elderly community in Australia. We know that we are 9,500 beds short of what is required currently to provide proper care for the elderly of this country. These are not my figures; these are the government’s own figures. The government adopted the target, one which had been adopted by the previous Labor government, but we are now 9,500 beds short of that target. The minister today sought to blame the Labor Party—the previous government; she sought to blame the states. The government have sought to blame everybody rather than to take any responsibility for this crisis in aged care. But, worse, they fail to acknowledge the problem and do anything to rectify it. We now have the prospect that this will get worse over the next two years because of the lead time it takes to bring on an aged care bed—to build a facility, license it and provide care. Because of the failure of this government to invest in aged care in the first three budgets of the Howard government, the situation has been getting worse.

The government have made a big allocation round this year, and I am the first to concede that, but that does nothing to solve the problem—they are treading water. The failure of the Howard government to invest in social infrastructure in the first three years is coming home to roost. And the people who are paying the price for that are the elderly in this country. They are the ones who are suffering because they cannot get aged care beds. Their families are also suffering because they have to cope with an elderly relative who needs nursing care and proper professional attention but cannot get it. These people are either left stuck in public hospitals in an inappropriate care setting or left at home with families struggling to support them when they just do not have the
resources. It puts enormous stress on the families and on the elderly person. It is a real social crisis. A lot of families are finding it very hard to maintain care for their loved ones when they desperately need beds. If the government do not understand that, there is something seriously wrong. I know they are out of touch, but surely they must hear from their constituents, as I do from the letters I get and as we hear on talkback radio. All of that supports the evidence, which we know exists, about the 9,500 bed shortage.

What did the minister say today? When I asked her about this she said, ‘Under our system, people are willing to wait.’ She said in defence for the shortage, ‘People are willing to wait. We have changed the system in terms of ACAT classification—it now lasts for 12 months—and they are willing to wait.’ I do not know who Senator Vanstone has been talking to, I do not know who Mrs Bishop has been talking to, but the families I talk to are not willing to wait. They are in crisis, they have loved elderly people who are in need of urgent nursing care and who cannot get that care, and they are not willing to wait. The people who rang the minister on talkback in South Australia the other day were not willing to wait. People who have been writing to her and to me urging her to do something are not willing to wait. They are in crisis situation, their families are under enormous stress and they cannot get beds. Other senators will explain what is going on in various states. But the government’s response today—that people are willing to wait—is just so out of touch and so arrogant as a response to the genuine concerns of people that I almost found it unbelievable. These people need care.

We know, on the government’s own figures, that the waiting times have gone from an average of 29 days two years ago to 55 days last year. We also know that in places like Queensland the average waiting time is 93 days. That is three months after an elderly person is assessed by medical teams as needing nursing care and they still have not got a bed. And that is on average. That means, of course, there are many instances of people waiting longer than that. These are often people with limited life expectancy. Waiting three months is just not acceptable. The pressure on the families is not acceptable. We know that there is a crisis. It requires the government to admit that and do something in response: to bring on beds urgently to support these families and to deal with the problem. What do they do? They say they are going to abolish the statistics that allow us to measure the waiting times. Their answer to the problem is to try and hide it by abolishing the statistics that tell us that the problem is growing. We know it is growing; their figures show it is growing. The community know there is a growing crisis in aged care. When are the government going to listen? When are they going to respond in a sympathetic way and help families out? (Time expired)

Senator Patterson (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Parliamentary Secretary to the Minister for Foreign Affairs) (3.12 p.m.)—Senator Evans’s feigned compassion rings very hollow. I call on the Labor Party—if they are so concerned about issues affecting older people, especially about aged care—to put down the cudgels and their negative attitude and come to the table in a bipartisan approach to solve the problem. We put up a solution after 1996 election which was based very much on the policy the Labor Party had introduced for hostels. I have said over and over in this chamber, to give credit when credit is due—

Senator Chris Evans interjecting—

Senator Patterson—Madam Deputy President, I sat quietly while Senator Evans spoke and did not interject once, despite the temptation.

Senator Chris Evans—I acknowledge that. It was the first time ever. You did well.

The Deputy President—Order, Senator Evans! Senator Patterson, you have the call.

Senator Patterson—I have given credit where credit is due to the Labor Party for the quite difficult reforms they brought in to hostels, requiring people to pay a small part of their ingoing, which was taken each year, and the interest on that ingoing. That enabled the capital improvement of hostels,
to the point that hostels in Australia were world class. I have said that over and over. But when it came to looking at the issue of nursing homes, they baulked. Not only did they baulk, but they went around and lied and scared old people. They lied to old people, particularly Ms Macklin—and I have outlined that a number of times in this chamber. It was disgraceful.

The DEPUTY PRESIDENT—Order!

Senator PATTERSON—if I said she lied, I apologise.

The DEPUTY PRESIDENT—Withdraw, please.

Senator PATTERSON—I withdraw it. She went around scaring older people, misrepresenting the policy. We had a real opportunity then to build up capital from people who were using nursing homes in the way that Labor had done for hostels. But we were told by people like Senator Crowley, ‘They haven’t got a choice. They do not choose to go into nursing homes; they choose to go into hostels.’ All sorts of excuses were put up.

What happened when that policy had to be put aside because the Labor Party had run around scaring older people? The government then moved towards increasing capital funding to aged care. In the last five years of Labor, capital funding to aged care had declined. So I am really interested in anyone coming in here and saying that Labor has a record on this. I looked at the joint media statement by Senator Evans and Mr Beazley entitled ‘Labor launches plan for quality aged care’ on the Labor Party web site. Not one mention is made in that policy about how they are going to increase the number of beds and how they are going to deal with the increasing numbers of older people. They will not tell you a dollar figure. We are waiting to see how they are going to deal with it. How they dealt with it in opposition was to do things like say, ‘We are going to merge all small rural nursing homes with fewer than 30 beds that are less than 250 kilometres apart. So some poor old person in a nursing home in one part of Victoria would be shifted up to 250 kilometres away to another nursing home. They finally saw sense, after I marched round all of rural Victoria saying how insensitive and uncaring this policy was, to have multipurpose centres—another reasonable initiative which has been developed and has been a major contributing factor to older people being able to be cared for in their own places.

For the Labor Party come in and pretend they are compassionate and care about older people, let them put their money where their mouth is, let them put their actions where their mouth is, and let them come to the table and work out in a bipartisan way the solution to what is an incredibly difficult, ongoing and increasing problem. In the meantime, we have increased the number of beds. The Labor Party put up a benchmark of a ratio of 100 places per 1,000 people over 70 years. We have provided 45 per cent of all the growth in the aged care programs since that benchmark was put into place. With the 22,000 announced allocations we have exceeded this benchmark. By the year 2002, operational places will reach that benchmark.

Labor did nothing about that. We came into office with 10,000 beds short. Not only that, but a report which the Labor Party had commissioned showed the disastrous and inept handling of aged care over 13 years. The Gregory report found that nursing homes were in a state of disrepair; 40 per cent of people shared bedrooms with four or more people; 13 per cent of homes did not meet fire regulations, and 11 per cent of homes did not meet health regulations. (Time expired)

Senator CROSSIN (Northern Territory) (3.18 p.m.)—I also rise to take note of Senator Vanstone’s answers in relation to aged care, particularly her answer to my question about aged care beds in the Northern Territory. The Northern Territory has the longest waiting time for aged care beds in Australia at the moment. That waiting time has almost doubled in the last two years. The department’s own figures tell us that in 1996-97 the average waiting time for aged care beds in Australia was 56 days, the same as the national average at that time. But by 1998-99 the average wait for a bed had climbed to 96 days, as against the national average of only 68 days. Waiting times in the Northern Territory are such an
embarrassment for this minister now—96 days is well over three months—that she is now refusing to give us data on waiting times.

As Senator Evans said, in the mean time, families are under extreme pressure to find places for their loved ones. We know of the coverage that one family got back in January when they had to drive 5,000 kilometres from Darwin to Perth simply to find a place for their mother at that time. Territory Health Services Deputy Secretary, Paul Bartholomew, said at the time that about 94 per cent of elderly Territorians were unable to pay, in relation to the reforms that were introduced by this government in 1997. He added that, while the Commonwealth had allocated an extra 55 beds to Darwin since 1997, little funding had been provided to expand or build new facilities.

Let us go to the heart of my question and Senator Vanstone’s answer today in relation to those beds. In the past two years, this government has allocated 134 beds to the Northern Territory, of which none are currently available—116 of these beds have been allocated to the Moran Group. We know that 66 beds were allocated to the Moran Group in 1999. As of two weeks ago, the plans for building the aged care facility in Darwin for those beds had not even got to the development consent authority—that is, the plans had not even been produced. In the answer to my question this afternoon about what was happening to those beds, Shane Moran said:

In January 2001 the Moran Health Care Group was awarded 20 general high care places and 30 special needs places in Darwin.

So we have an allocation of 66 beds in 1999 and an extra 50 beds in 2001. He said:

There is no provision under the Aged Care Act for a review of allocation of decisions, so it appears that we—

that is, the Moran Health Care Group—

will have no option but to relinquish this allocation. We will need to consider returning to the government allocated new high care places in some instances such as those in relation to the East Arnhem Land special needs group where capital support is otherwise unavailable due to the lack of capital and long-term viability problems that this causes.

The Moran group is actually saying that it will have to hand back these beds. We have to ask, Why in the first place was it able to take the licence on the basis that it was committed to providing those beds? By November this year we will find that those 66 beds have not been allocated, yet it has been given another 50 beds. Why is it being given those 116 beds? What is this minister doing about ensuring that the beds are being reallocated as quickly as possible to a company or a group that can commit to providing those beds to Territorians, so Territorians and aged care people in the Territory do not have the long waiting times that they currently have? This minister, we were told by Senator Vanstone, is doing everything she can. We in the Northern Territory cannot see that anything is being done. We have a group who says that it cannot commit until November, yet it is given additional beds, and we do not see this minister trying to do anything to rectify the situation.

Senator Newman (Tasmania) (3.23 p.m.)—Sitting here on the back bench this afternoon has been quite interesting as I turn my mind back to debates like this that happened when I was sitting on the other side of the chamber in opposition. I just pulled out of Hansard a question that I asked of a previous Minister representing the Minister for Aged, Family and Health Services, Senator Tate. I asked:

Is he aware of the advertisement placed in the Sydney Morning Herald on 30 September last—that was in 1992—

stating that Aged Care Australia no longer has confidence in the Commonwealth Government’s—

that is, the Labor government’s—

implementation of the aged care reform strategy; that Aged Care Australia refutes the notion that the Commonwealth Government has effectively consulted with and listened to this association in the past in implementing the stages of the reform; that Aged Care Australia is committed to the production of alternative policies and procedures for aged care delivery in Australia? As Aged Care
Australia is the peak body representing aged persons hostels around the country, is this not a gross indictment of the Government’s policies over the past 10 years? Why has the Government not listened to the association? What confidence can older Australians have in the Government’s long term care policies when one of Australia’s largest aged care organisations has said it has no confidence in this Labor Government?

Senator Crowley sitting on the other side now would presumably remember that this was at a time when the stewardship of the Labor government was at such a low level that, when Senator Richardson as the health minister commissioned a report from Professor Bob Gregory, he got a report that told very clearly to the nation, as well as to the government, what bad stewardship there had been by the Labor government in terms of care for elderly people.

In Senator Tate’s reply, which did not take us very far, he did actually refer to the fact that there was a complementary program, the Home and Community Care program—the HACC program. I am glad he mentioned that because to me one of the really very beneficial measures that this government has introduced since it has been in government has been an emphasis on care at home, as well as in facilities. Many of my constituents tell me that they want to stay in their homes as long as they possibly can. Members of the opposition, like Senator Evans, might have constituents complaining that mum should be in a nursing home, quick and smart, but I bet you mum’s family do not always see eye to eye with mum. Most people hang on as long as they can to stay with the familiar and with the support of their family, if they are lucky enough to have a supportive family.

So this government has taken a number of steps to improve the care of older Australians. It is not just aged care in facilities, but they nursing homes or hostels; it is also, very importantly, in their own homes in the community. Our government has done a lot to support families and old people when they wish to stay in the community for longer. I think Senator Evans ridiculed the idea that people were willing to wait for a nursing home or hostel facility place, but in fact that is true. I hear it so often in my electorate. People say, ‘I do not want to go very much further than my own suburb to get aged care,’ or ‘I do not want to go far away from my family to get aged care. I would prefer to wait in my own home with support there and then go to an organisation of my choice to care for me or to be in a geographic location that suits me best.’ It is wrong to ridicule the claim that people are often willing to wait, but 15 per cent of people are placed within two days of the Aged Care Assessment Team giving approval. I think that is pretty good. Of course they can even be placed quicker than that if there are emergencies.

It is wrong for people to focus on waiting times after the terrible problem this government had of trying to pull a badly neglected aged care system back into effective operation and, at the same time, deal with a black hole of $10 billion given to us by Mr Beazley and his friends, when we have done fantastic things. We have improved the standards of care, provided extra support for veterans in home care, provided more community care packages, done a huge number of things for carers of people who are older or who have disabilities, freed up respite opportunities for people and freed up the conditions under which carers can access respite and not have their carers’ allowances affected. Whichever way we turned in the first couple of years we were in government, when we were left with this black hole and we had to reduce savings, we focused on care. (Time expired)

Senator CROWLEY (South Australia) (3.28 p.m.)—I rise also to take note of the minister’s answers today. The first answers the minister gave were to try to bluff and bluster her way through by saying that we had made up the figures and how could she be expected to really accept them. So we then said, ‘Minister, they are your figures.’ The minister then turned her answer to lengthy detailed descriptions of anything except the answer to the question. She told us how many detailed descriptions of anything except the answer to the question. She told us how many places were being allocated, et cetera.

The problem is that there are 9,500 beds short across this country. People do not want to know that places will be allocated so that in two, three or five years a bed will be available. They want a bed now. These are
not people who are planning to be older and in need of a nursing home bed in five years time; they are in need now, by assessment. Yes, we can say that 15 to 20 per cent of those people might be placed within a couple of days or in a short time because the bed is available and because of the urgency of the case, but the majority of those people who are waiting are not waiting happily, knitting away their hours; they are actually already assessed as being in need of those beds and in need of those nursing homes and in need of that kind of care that can no longer be properly provided by either themselves or their families.

The first thing this government must own is the great shortage of beds. I suppose they will go on forever saying, ‘We’ve been the government for five years, but you’re to blame for everything.’ The community will not cop that; they do not now. They ring you, the government, if they are looking for assistance. In my own state of South Australia, though, we have a particularly vulgar arrangement, and that is an unseemly dispute between the Commonwealth minister, Mrs Bishop, and the state minister, Dean Brown, slanging it out and accusing each other of being responsible for the shortage of beds. In South Australia, the Seniors Information Service says that for the first time in its seven years of operation, it can find no beds free anywhere in South Australia to assist people. For the first time in seven years, they could not find any.

In the meantime, what does Minister Bishop say in answer to this shortage in South Australia? She says—anything except what the answer is—‘Well, the number of beds was this, and the allocation of places was that, but in fact the problem is that Mr Brown, the state health minister, has taken federal dollars: $26 million of extra money was given to him, but he has withdrawn $20 million.’ What this means is very hard to tell, but I think that somehow Mrs Bishop feels that, if she can blame Minister Dean Brown in South Australia, that will be the end of her problem. She says that it is the state minister’s withdrawal of funds that is causing the problem; and the state minister, Mr Brown, says he thinks it is a shambles and a shame that this Commonwealth government has actually cut the funding and is not providing sufficient nursing home beds in South Australia.

I made a comment earlier—and I think that I actually shocked SenatorVanstone; it is a bit astounding that anyone can shock her—that there was a time in South Australia under the previous Labor governments where the quality of nursing home care in South Australia was state of the art. That is where the rest of Australia looked to for its criteria and its standards. Victoria was pretty good too, but the rest of the country was way behind. One of the things the Labor Party had to do in government was to try to bring the rest of Australia up to standard. But the shambles I am talking about, the real tragedy, is that not only is South Australia no longer the leader but it is now one of those states struggling desperately with a shortage of funding. Who is to blame? Listen to Minister Dean Brown blaming Minister Bishop—when he is not blaming Minister Wooldridge—and listen to Minister Wooldridge and Minister Bishop blaming Dean Brown back. There is an unseemly brawl between the Commonwealth and the state—all Liberal governments, I might say, and all abdicating responsibility for a turnaround now in my state of South Australia, where there is a significant shortage of beds for the first time and a sad lack of care and compassion by the state or the federal government.

That is what we are talking about. You are the government. You have been in government for the past five years. People want aged care assistance. They do not want smarmy weasel words and they do not want to know what we did not do. They want to know what you are doing, and we have to tell them that you are not doing much at all. For the first time ever, South Australians now cannot find beds. There is a significant shortage across the state of South Australia, in every region. That is what we want addressed. What we have got today is clear evidence of buck-passing: you do not know the facts, you do not want to know the facts, and any kind of words will do. Well, it will
not do for the elderly people in South Australia and their families. It will not do to go on having this unseemly brawl between Liberal governments, state and Commonwealth, about who is to blame.

Question resolved in the affirmative.

COMMITTEES

Reports: Government Responses

Senator ELLISON (Western Australia—Minister for Justice and Customs) (3.33 p.m.)—I present three government responses to committee reports as listed on today’s Order of Business at item 13. In accordance with the usual practice, I seek leave to incorporate the documents in Hansard.

Leave granted.

The responses read as follows—

GOVERNMENT RESPONSE TO THE JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE’S REPORT FUNDING AUSTRALIA’S DEFENCE

The Government welcomes the Committee’s inquiry into and report on the level of Defence funding required to provide for the defence of Australia. The report provided a valuable contribution to raising public awareness of issues in national security and informed public debate on defence funding.

Following the tabling of the Committee’s report and the last federal election, the Government began a thorough review of Australia’s defence needs. This review included an extensive community consultation program and an unprecedented level of ministerial involvement in defence policy formulation through the National Security Committee of Cabinet.

Following this wide-ranging review, the Government tabled the Defence White Paper 2000 in Parliament on 6 December 2000. Defence 2000: Our Future Defence Force presents the Government’s decisions and commitments concerning the future of Australia’s defence force, including the level of funding that will be provided to enable the Australian Defence Force to achieve Government-directed strategic objectives.

The commitments and plans made by the Government in the Defence White Paper, particularly in the sections on Capability and Funding, comprehensively address the current pressures and future demands on funding for the Australian Defence Force. These new plans and commitments build on earlier Government initiatives, particularly the Defence Reform Program, which sought, among other initiatives, to maximise the resources available for the sustenance and enhancement of Defence capability. The Government remains strongly committed to continuing improvements and reforms in Defence to ensure that money spent on defence is managed wisely and that funding Australia’s defence is both affordable and sustainable over the long term.

The Recommendations of the Committee

1. The Committee recommends that the Government undertake to provide Defence with a five-year budget commitment, to provide Defence with a more secure basis for long term planning of resource allocations.

The Government has decided to provide Defence funding commitments covering the whole of the coming decade matched to the capability enhancements detailed in the Defence Capability Plan. This funding commitment is the most specific long-term defence funding projections provided by any Australian government in more than 25 years. This commitment will provide Defence with a secure basis for managing and planning the development of capability.

2. The Committee recommends that the Department of Defence be required to report to the Parliament annually, and in a report separate from the Defence Annual Report, specifically detailing the progress made in implementing major efficiency initiatives.

Separate reporting by the Department is considered unnecessary. Defence already reports regularly to Parliament on progress in implementing major efficiency initiatives in Portfolio Budget Statements and Annual Reports. This reporting is being expanded to cover all improvements as Defence migrates to a culture of continuous improvement. This specific reporting together with the regular ministerial statements on efficiency initiatives to Parliament should obviate the need for separate reports. There will be a higher level of accountability attendant with the introduction of the classified Defence Financial and Management Plan, which will set annual targets for the delivery of savings and efficiency measures.

3. The Committee recommends that Defence funding should be increased in real terms, to enable the ADF to remain a well-equipped, highly-trained force relying on technologically advanced weapons and support systems.

In the White Paper, the Government has committed itself to increasing Defence funding by an
average of about three percent per annum in real terms over the next decade. The Government intends that funding for 2001-02 and 2002-03 will increase by $500 million and $1,000 million respectively, to provide substantial initial funding for a number of key capability initiatives that will ensure the ADF is equipped, trained and supported to the level necessary to enable it to perform the roles Government directs.

4. The Committee recommends that the mechanism of fixing a real rate of growth be adopted as a means of defining the increase in Defence spending.

The Government has determined the appropriate level of increase in Defence spending through a rational, structured approach. The Government has assessed Australia’s strategic environment; confirmed Australia’s strategic interests and objectives; and then developed and costed the capabilities required in the Australian Defence Force to ensure it is able to protect Australia’s strategic interests and achieve our strategic objectives. This approach, coupled with a thorough evaluation of current Defence funding programs and pressures has enabled the Government to forecast an appropriate level of Defence funding over the next decade. The appropriate level of funding averages about three per cent per annum in real terms over the decade. It should be stressed that these Defence funding levels have been (and will in the future be) determined by reference to strategic objectives (ie outcomes and outputs) and budgetary and defence requirements in a given year.

5. Given that the recommendations made in this report can have no impact on the decisions taken in the 1998-99 Federal Budget, the Committee recommends that real growth in Defence funding should commence in FY 1999-00.

The Government intends that the first increase in Defence funding of $500 million will be provided in the 2001-02 Federal Budget.

6. The Committee recommends that the current level of Defence funding be increased by a real growth rate of between 1.5 and 2.5 per cent annually for the next five years.

As discussed above, the Government has estimated that the appropriate level of funding increase for Defence is initial increases of $500 million and $1,000 million in financial years 2001-02 and 2002-03, respectively, with an average of about three per cent per annum growth in real terms over the decade.

7. The Committee is concerned about the substantial additional expenditure required to overcome block obsolescence in the 2010-15 period. The Parliament and Expenditure Review Committee of successive Governments must be involved in the advance financial planning to overcome this problem.

The Government has addressed comprehensively the issue of block obsolescence in its consideration and development of the White Paper. It has made explicit funding provision for the life extension, refurbishment, upgrade or replacement of all current Defence platforms and weapon systems that are reaching the end of their service life over the next two decades through the Defence Capability Plan, which will be implemented through the classified Defence Financial and Management Plan (this document informs Government of the impact and options available for managing block obsolescence). Ongoing review and development of the Defence Capability Plan will occur through the annual Budget process, and it is through this established mechanism that the Government will manage long term Defence funding pressures. The Parliament and Expenditure Review Committee will have visibility and involvement in this planning through normal Defence reporting and Government accountability mechanisms – particularly the classified Defence Financial and Management Plan as well as Annual Reports, Portfolio Budget Reports, Additional Estimates and appearances before Parliamentary Committees by representatives from the Department of Defence.
Committee recommendation: Amendment to address adverse effects of the draft Bill on the delivery of financial services in rural and regional Australia. In particular, the Committee recommended that the draft Bill be amended to remove deposit products offered by authorised deposit-taking institutions from the definition of financial product.

Response: The Government recognises the need for the Bill’s requirements to apply flexibly to basic deposit products and to ensure regulatory proportionality. Accordingly, the Government will amend the draft Bill so that deposit products offered by authorised deposit-taking institutions that are for a term of 2 years or less with no management or breach will not be subject to the financial services guide requirements or requirements to provide statements of advice. This will ensure that the Bill’s requirements apply flexibly to basic deposit products recognising that they are generally well understood by retail consumers and that consumers can get their money back on demand.

Amendments are also proposed to the draft Bill’s definitions of financial product advice and dealing to ensure the requirements for licensing and authorisation are more tightly focussed. This will ensure that activities commonly engaged in by tellers such as the accepting of moneys for deposit or the giving out of moneys from deposit accounts will not be caught by the FSR regime.

The Committee’s report highlights some concerns about the Bill’s competency requirements for representatives, such as tellers or employees of third party agents. These concerns are unfounded and do not support arguments for the wholesale removal of deposits and means of payment from the draft Bill. The intention with these requirements is not to force every representative to be competent to provide full financial planning services. Rather, representatives will only have to be competent to provide the services they actually provide – no more and no less. The Government does not expect industry participants who are adequately trained and competent to provide the services they now provide to have to undertake significant extra training to meet the draft Bill’s competency requirements.

The Government believes that the final form of the legislation will not hinder the operation of Rural Transaction Centres or distribution of deposit products through third-party agents such as newsagents or pharmacists in country Australia. The Government is committed to ensuring that all Australian consumers of financial products receive the same level of protection, irrespective of where they live or how they access those products. Hence, the draft Bill’s requirements will ensure that consumers of financial services in the bush will get the same protections as consumers in cities. In particular, they will require deposit-taking institutions to ensure that their staff and agents are competent to provide the services they offer consumers, whether those consumers live in rural, regional or city Australia.

Committee recommendation: Amendment to address the information economy and e-commerce. In particular, the Committee recommended that the draft Bill be amended to exclude information provided in certain circumstances from the definition of financial product advice.

Response: The Government welcomes the support for the information economy and e-commerce. One of the underlying objectives of the draft Bill is to ensure that the regulatory regime is media-neutral and encourages innovation in the design, distribution and use of financial services and products.

The Government does not believe it needs to amend the definition of financial product advice in the way recommended by the Committee to address the concerns raised in evidence to the Committee on the information economy and e-commerce. Rather, the Government is amending the draft Bill to clarify the application of its requirements in a range of e-commerce situations. For example, the Bill will clarify that a person who merely provides a communication service through which a consumer makes a non-cash payment is not the provider of the non-cash payment facility.

Committee recommendation: Amendments to address issues concerning Australia as an international financial centre raised by Australian Stock Exchange Limited (the ASX).

Response: The Government is keen to enhance Australia’s role as an international financial centre. The Government also agrees that the Australian market needs to be able to respond quickly to change, domestic and international, in order to continue to remain relevant. However, the Government is not convinced that the examples cited in evidence to the Committee by the ASX will have the effect of undermining the future of Australia’s markets. In particular —

- the object of provisions relating to the regulation of foreign-based markets operating in Australia is facilitative - to ensure that those markets which are subject to an appropriate regulatory regime overseas are not, in addition, subject to the full rigours of the Australian regulatory regime. The intention is that the regulation of such markets in Australia and overseas, when taken together, be
equivalent to the regulation of a comparable market which is licensed only in Australia;

- the purpose of requiring that Australian incorporated bodies which operate a market or clearing and settlement overseas be licensed in Australia is to ensure that Australia does not lend its name to doubtful operators who may mislead overseas investors by implying that, since they are incorporated in Australia, they are regulated in Australia. Such a situation would adversely affect Australia’s reputation as an international financial centre;

- the Government remains committed to providing regulation of financial markets through a combination of self-regulation, and regulation by the Minister and ASIC. A wide power of delegation to the regulator, ASIC, is necessary to ensure flexibility in the operation of the new legislation into the future, but it is expected that the Minister will continue to be the decision-maker in relation to the major markets.

The ASX also raised in evidence the issue of increasing the shareholder limitation in the Exchange from 5% to 15% in line with the banking sector, with the possibility of a larger proportion, subject to a fit and proper person test. The ASX also pointed to the need for an even-handed competitive environment.

On 10 October 2000, the Minister for Financial Services and Regulation, the Hon Joe Hockey MP, announced that the Government had decided that the shareholder limitation on the ASX would be changed to 15%, with the possibility of a larger proportion being permitted if the acquisition is in the national interest. The same limitations would apply to other financial markets and clearing and settlement facilities which are of national economic significance. These changes are to be included in the draft Bill and will complement the ‘fit and proper’ person test which will apply to controllers and senior managers of Australian markets and clearing and settlement facilities.

**Committee recommendation:** Amendment to address the impact on small business. In particular, the Committee recommended that the draft Bill be amended to remove the requirement for disclosure in the Statement of Advice of quantum of commission on risk insurance products.

**Response:** The Government does not accept the Committee’s recommendation. The draft Bill provides that, where personal advice is given to a client in relation to any financial product, the financial service provider must provide the client with a written copy of the advice including details of:

- any benefit or advantage the financial service provider may receive in connection with the advice or the sale of a financial product, and
- any other pecuniary or other benefits (including soft dollar arrangements) which may reasonably be expected to influence the financial service provider in giving the advice.

The purpose of disclosure at this stage is to help the consumer identify any potential influences on the advice given or any potential conflicts of interest which the adviser may have in recommending a specific product. It is not to indicate the extent to which any return the consumer may receive on the product is reduced by such commissions. Nor is it to identify the distribution costs associated with the product.

In requiring the disclosure of benefit or advantage at this stage, the draft Bill will ensure that consumers are provided with information that will help them make an informed choice about whether to purchase a product or not. The disclosed information helps the consumer evaluate any possible influences on the adviser in recommending a particular product. For example, if an insurance agent received commission, bonuses or soft dollar remunerations, this would need to be disclosed in the same way as a salaried bank employee disclosed the receipt of a performance bonus based on the number of products sold.

For a consumer to assess possible conflicts an adviser may have in recommending a product they need to know the quantum. Conflicts of interest do not only occur where commission affects the return to the client. For example, an adviser may have a conflict of interest where they receive a 25% commission on a risk product even though the amount of commission does not affect the payment to the consumer if or when the event which is insured against occurs.

**Committee recommendation:** Amendment to address co-regulation and the position of professional bodies. In particular, the Committee recommended that the draft Bill be amended so that it does ‘not affect anyone whose involvement in financial services is incidental to their main activity’.

**Response:** The Government does not accept the Committee’s recommendation. From the consumer’s perspective, the loss they might suffer from poor financial advice given by, for example, an accountant who provided that advice incidentally to accounting services is no less serious than the loss they would suffer if the poor advice had been given by someone whose main activity is the provision of financial advice, for example a financial planner.
The draft Bill requires that anyone who provides defined financial services be competent to do so and provides the same minimum consumer protections. This requirement applies irrespective of whether the service provider calls themselves insurance agent, financial planner, accountant or lawyer.

Generally speaking, providers of financial advice will require an Australian Financial Services Licence. The draft Bill provides an alternative mechanism for those wishing to provide financial advice in the form of the declared professional body mechanism.

In light of submissions on the draft Bill, amendments have been made to the definitions of financial product advice and dealing to ensure that it is clear what activities will attract the operation of the Bill.

Committee recommendation: Provide proper recognition of corporate structures and the retail/wholesale client definition.

Response: As a result of the consultation process on the draft Bill, amendments have been made to the Bill to accommodate conglomerate structures where staff are employed by a single corporate entity within the group.

In relation to the potential capital gains tax consequences for existing industry participants in moving to the new licensing regime contained in the draft Bill, consultations have been occurring on this issue since February 2000. The Government will consider whether any legislation is necessary to deal with the tax consequences as a result of the FSR Bill.

In relation to the retail/wholesale client definition, as a result of the submissions received during the consultation process, the Government has amended this definition to align it more closely with the current definition in the Corporations Law and to clarify that Financial Services Licensees and prudentially regulated bodies are wholesale clients.

Committee recommendation: Amendment to start date of the Bill.

Response: The Government notes the Committee’s recommendation that consideration be given to the timing of the FSR regime to allow industry sufficient time to comply with the new regime. The Government is keen to finalise, introduce and secure passage of the draft Bill as soon as possible. It will take account of the Committee’s views, and those of the regulator and interested industry stakeholders, when determining when to commence the legislation. The Government also notes that it proposes to include transitional provisions in the draft Bill under which existing industry participants will be able to comply with some current requirements rather than the new law for a period of up to 2 years.

GOVERNMENT RESPONSE TO THE PARLIAMENTARY JOINT COMMITTEE ON THE NATIONAL CRIME AUTHORITY REPORT “STREET LEGAL: THE INVOLVEMENT OF THE NATIONAL CRIME AUTHORITY IN CONTROLLED OPERATIONS”

The Government welcomes the report of the Parliamentary Joint Committee on the National Crime Authority on the involvement of the National Crime Authority in controlled operations.

Controlled operations are an essential tool for investigating and combating serious criminal activity. It is important that the provisions which provide for the conduct of controlled operations are framed both to enhance the effectiveness of controlled operations as an investigatory tool and ensure that private rights are protected and powers are exercised properly.

In recognition of the need for improved controlled operations provisions, the Government has formulated proposals to amend the controlled operations provisions in Part 1AB of the Crimes Act 1914. The recommendations of the committee have been considered in this context.

Government Response to each of the Recommendations of the Parliamentary Joint Committee on the National Crime Authority

Recommendation 1: That the Government recommend to the Standing Committee of Attorneys-General that uniform controlled operations legislation be enacted by the Commonwealth, States and Territories in terms similar to the Law Enforcement (Controlled Operations) Act 1997 (NSW) subject to the foreshadowed amendments in the Finlay Review Report and the further recommendations in this report. (Paragraph 3.43)

Government Response to Recommendation 1: Agree

The Government has decided to adopt an approach to enhancing drug law enforcement strategies that seeks national consistency and draws together existing disparate State and Territory practices. While it is proposed to pursue uniform Commonwealth, State and Territory controlled operations legislation in the medium term, the Government sees merit in pursuing the enhancement of Commonwealth provisions in the first instance.
Recommendation 2: That, if uniform controlled operations legislation cannot be secured then:

(a) the Government call for those States and Territories that do not have controlled operations legislation, to enact such legislation as is necessary for the NCA to authorise and conduct controlled operations in each jurisdiction;

(b) the Government call for those States and Territories that allow officers of a State or Territory agency (eg police service) to authorise controlled operations to amend their legislation to allow NCA members to authorise their own controlled operations. (Paragraph 3.43)

Government Response to Recommendation 2: Agree

As discussed in relation to recommendation 1, the Government proposes to pursue uniformity. The precise manner in which uniformity or consistency will be sought has not yet been determined. The question of conferring powers on the NCA under State laws will be explored in that context.

Recommendation 3: That a two tiered approval process be established for the authorisation of controlled operations under Part 1AB of the Crimes Act 1914:

(i) Applications for minor controlled operations should be subject to an in-house approval regime. That is, a law enforcement officer in charge of a controlled operation may apply to the Commissioner, a Deputy Commissioner or an Assistant Commissioner of the AFP or to a member of the NCA for a certificate authorising a controlled operation. Minor controlled operations are to be defined as short-term investigations (not exceeding one month’s duration) involving minimal contact between a covert operative and a suspect or suspects, where law enforcement officers are required to engage in activities involving unlawfulness of a technical nature. If a minor controlled operation exceeds one month’s duration, it should be re-classified as a longer-term operation and subject to the external approval process set out in paragraph (ii).

(ii) Applications for longer-term controlled operations should be subject to an external approval process. The function of determining applications for longer-term controlled operations should be transferred to the office of the Inspector-General of the NCA as described in recommendation 19 of the Committee’s 1998 report Third Evaluation of the National Crime Authority. Should the Government not accede to the establishment of an Inspector-General for the NCA, then the power to approve longer-term controlled operations should

conferred on such other independent authority as the Government sees fit, such as the AAT.

Nothing in this recommendation should affect the ability of law enforcement agencies to make urgent applications for a certificate authorising a controlled operation in accordance with section 15L of Part 1AB of the Crimes Act 1914. Urgent applications should be able to be made in-house either in person, by telephone or by any other means of communication in respect of both minor and longer-term controlled operations. In particular, the requirements in sections 15L(5) and (6) for the follow-up provision of a written application and certificate in relation to urgent applications should be retained. These written records will be subject to the stringent accountability processes outlined in Recommendation 10. (Paragraph 4.74)

Government Response to Recommendation 3: Disagree

The Government does not favour a two-tiered approach. Such an approach would unduly fetter law enforcement agencies, and add unnecessary complexity to the legislative scheme. Maintaining the same approval process for all operations will ensure consistency and accountability and promote efficiency whilst providing operational flexibility. Both Commonwealth and NSW provisions currently employ a single approval process. The review of the NSW provisions found no reason to alter the existing regime in this respect. The Government agrees that urgent application procedures should be retained.

Recommendation 4: That law enforcement agencies devise appropriate training and education courses in relation to the operations of the controlled operations legislative regime. (Paragraph 4.74)

Government Response to Recommendation 4: Agree in principle

The Australian Federal Police has established national guidelines in relation to the conduct of controlled operations. The guidelines are enforceable through disciplinary procedures available under an employment management regime and the Australian Federal Police (Discipline) Regulations 1979. Appropriate training and education will continue to be a focus for all agencies.

Recommendation 5: That those States and Territories that have enacted specific controlled operations legislation should make appropriate amendments to allow the NCA Chairperson and Members to authorise controlled operations certificates. (Paragraph 4.77)
Government Response to Recommendation 5: No comment

As previously noted, the Government has decided to adopt an approach to enhancing drug law enforcement strategies that seeks national consistency and draws together existing disparate State and Territory practices. The recommendation will be addressed in that context, and will ultimately be a matter for the States and Territories.

Recommendation 6: That the standard of satisfaction required by the authorising officer in relation to the preconditions in section 15M of Part 1AB of the Crimes Act 1914 should be expressed in such terms as ‘reasonably satisfied’ or ‘satisfied on reasonable grounds’. (Paragraph 4.83)

Government Response to Recommendation 6: Agree

The Government is developing a proposal along these lines.

Recommendation 7: That the ‘no entrapment’ test in section 15M(b) of Part 1AB of the Crimes Act 1914 be enunciated with greater clarity. (Paragraph 4.86)

Government Response to Recommendation 7: Agree

The Government is developing a proposal to require an authorising officer to be reasonably satisfied that a criminal offence will be committed by the person or group targeted by the operation, whether or not the operation takes place (the ‘no entrapment test’). The precise formulation of the test will be reviewed in the drafting process, taking into account the Committee’s comments.

Recommendation 8: That in relation to the precondition in section 15M(d) of Part 1AB of the Crimes Act 1914 the paragraph be reworded to better reflect the need for operational flexibility by relevant law enforcement agencies. (Paragraph 4.88)

Government Response to Recommendation 8: Agree

The Government is developing a proposal to modify the existing requirement in paragraph 15M(d) that the authorising officer be satisfied that any narcotic goods that are the subject of the operation will be under the control of an Australian law enforcement officer at the end of the operation. It is instead proposed that the authorising officer be required to be reasonably satisfied that the operation will be conducted so as to minimise the risk that any illicit goods involved in the operation will be outside law enforcement control at the end of the operation. The proposed formulation will promote improved operational planning but does not require certainty as to operational outcomes.

Recommendation 9: That section 15M of Part 1AB of the Crimes Act 1914 be amended to adopt similar conditions to those contained in paragraphs 6(3)(b) and (c) of the Law Enforcement (Controlled Operations) Act 1997 (NSW) that the nature and extent of the suspected criminal activity or corrupt conduct are such as to justify the conduct of a controlled operation and the proposed controlled activities. (Paragraph 4.91)

Government Response to Recommendation 9: Agree

The Government is developing a proposal to amend to section 15M to require an authorising officer to be reasonably satisfied that the nature and extent of the suspected criminal activity is such as to justify the conduct of a controlled operation within the parameters that the authorising officer proposes to authorise. This proposal is consistent with paragraph 6(3)(b) of the of the Law Enforcement (Controlled Operations) Act 1997 (NSW).

Recommendation 10: That there be an appropriate system of accountability provided within the legislative regime of controlled operations involving oversight by the Commonwealth Ombudsman. The oversight should be in identical terms to that required of the NSW Ombudsman under the Law Enforcement (Controlled Operations) Act 1997 (NSW). (Paragraph 5.53)

Government Response to Recommendation 10: Disagree

In the course of developing proposals for reforming controlled operations provisions, significant consideration was given to providing appropriate systems of accountability. Creating an oversight role for the Commonwealth Ombudsman was one option considered. However, oversight by the Commonwealth Ombudsman was considered to be unlikely to yield further accountability beyond that which is already achieved by the requirement to report to the Minister. It was also considered that the oversight function in respect of controlled operations would not coexist well with the Ombudsman’s current role in respect of Australian Federal Police complaints, as there would be a possibility the Ombudsman’s office may be called upon to investigate and report on controlled operations procedures it had previously reviewed and approved.

Recommendation 11: In order that the Parliament be appropriately involved in discharging its responsibility for scrutiny under the legisla-
tion there should be a requirement placed on the Ombudsman to annually brief the Parliamentary Joint Committee on the National Crime Authority on a confidential basis in relation to the Authority’s involvement in controlled operations. (Paragraph 5.53)

Government Response to Recommendation 11: Disagree

The existing controlled operations provisions require the NCA Chairperson and AFP Commissioner to report to the Minister and the Minister to table an annual report in Parliament. It is proposed to amend the National Crime Authority Act 1984 to require the National Crime Authority to comply with a request by the Committee for information relating to an investigation or concerning the general conduct of the operations of the authority, unless disclosure would be prejudicial to the safety of persons or the operations of law enforcement agencies. It is considered that these existing and proposed reporting requirements are sufficient and that an annual briefing by the Ombudsman is not necessary. Furthermore, as discussed in relation to recommendation 10, it is not considered appropriate for the Ombudsman to perform an oversight role in respect of controlled operations.

Recommendation 12: That the scope of the definition of “controlled operations” in Part 1AB of the Crimes Act 1914 should be widened to refer to operations carried out for the purpose of obtaining evidence that may lead to the prosecution of a person for theft, fraud, tax evasion, currency violations, illegal drug dealings, illegal gambling, obtaining a financial benefit by vice engaged in by others, extortion, violence, bribery or corruption of, or by, an officer of the Commonwealth, an officer of a State or an officer of a Territory, bankruptcy and company violations, dealings or illegal importation or exportation of fauna into or out of Australia, money laundering and people trafficking. (Paragraph 6.50)

Government Response to Recommendation 12: Agree

The Government agrees that controlled operations are an essential tool for infiltrating and investigating a wide range of criminal activity. However, rather than specifying each type of criminal activity, it is proposed to amend the controlled operations provisions to provide that a controlled operation may be conducted in respect of any criminal offence, the investigation of which falls within the functions of the agency in relation to Commonwealth law. Such an approach is consistent with the NSW Act, which does not limit the range of criminal activity for which approval to conduct a controlled operation may be sought.

Recommendation 13(i): That the immunity conferred on covert operatives should be widened commensurately with the scope of controlled operations to confer immunity from criminal liability on any person authorised to participate in a controlled operation in terms of sections 16 of the Law Enforcement (Controlled Operations) Act 1997 (NSW). As prescribed in section 16 of that Act, immunity should only be available where the unlawful activity engaged in has been authorised by and is engaged in in accordance with the Authority for the operation. (Paragraph 6.50)

Government Response to Recommendation 13(i): Agree

The Government is developing a proposal under which a law enforcement officer will not be liable for any offence in relation to conduct that is undertaken for the purposes of an authorised controlled operation and is within the terms of the authorisation. The proposal imposes an additional limitation that the conduct must not involve the commission of a sexual offence, or involve causing death or serious injury to a person.

Recommendation 13(ii): The Commonwealth Act should be amended to include a provision in terms of section 19 of the NSW Act to immune covert operatives from civil liability. As prescribed in section 19 of that Act, immunity from civil liability should only be available where the conduct engaged in was in good faith and for the purpose of executing the provisions of the Act regulating controlled operations. (Paragraph 6.50)

Government Response to Recommendation 13(ii): Agree

The Government is developing a proposal with respect to immunity from civil liability that would protect the rights of innocent third parties.

Recommendation 13(iii): The Commonwealth Act should also be amended to include a provision expressly acknowledging that where an individual suffers loss or injury as a result of a controlled operation an action can be maintained against the State for compensation in respect of that loss or injury. (Paragraph 6.50)

Government Response to Recommendation 13(iii): Disagree

It is not considered necessary to make statutory provision for a right of recovery where an individual suffers loss or damage as a result of a controlled operation. The Government is considering
a proposal that would preserve applicable civil remedies.

Recommendation 14: That the timeframe for which an authority to conduct a controlled operation may remain in force be extended to three months. If an investigation exceeds that timeframe, law enforcement agencies must apply for a new certificate in respect of the same investigation. (Paragraph 6.63)

Government Response to Recommendation 14: Agree in part

The Government agrees that the current 30 day timeframe provides insufficient time for law enforcement agencies to properly infiltrate and investigate organised and serious crime. However, it is considered that 3 months is also inadequate. The Government proposes that the period within which an authorisation may remain in force be extended from 30 days to 6 months, with provision for review of the authorisation after 3 months. In reviewing an authorisation the authorising officer would have to be satisfied that it is appropriate for the operation to continue having regard to the same considerations relevant to the initial authorisation. Where the authorisation is not reviewed to assess the continuing need for the operation, the authorisation lapses and a new authorisation must be sought.

The 6 month authorisation period recognises that effective infiltration of criminal organisation may take many months or even years. The proposed extension takes into account the exigencies of deep infiltration of multi-faceted crime syndicates, while the provision for 3 monthly review ensures that the conduct of the operation receives frequent, high level attention.

Recommendation 15: That Part 1AB of the Crimes Act 1914 be amended to include a provision to allow for the retrospective authorisation of controlled operations only where the life or safety of a covert operative is at risk, in terms of section 14 of the Law Enforcement (Controlled Operations) Act 1997. In particular, the amendment should include the conditions that the relevant unlawful conduct was engaged in only for the purpose of protecting an operative or other person from death or serious injury and that the application must be made within 24 hours of the unlawful conduct having been engaged in. (Paragraph 6.85)

Government Response to Recommendation 15: Disagree

The Government considers that retrospective authorisation is not consistent with the integral role of planning in Commonwealth controlled operations. Common law defences and prosecution discretion will apply in emergency circumstances.

Recommendation 16: That Part 1AB of the Crimes Act 1914 be amended to include a provision to authorise the participation of civilians in controlled operations. The term 'civilians' should be defined so as to exclude those persons who are police informants or who become involved in a controlled operation by reason of their having knowledge, position or influence as a consequence of their own involvement in criminal activities. The position of that class of civilians should remain subject to the current system of retrospective indemnities and assistance at the time of sentencing that operates according to the discretion of the Director of Public Prosecutions. (Paragraph 6.140)

Government Response to Recommendation 16: Agree in part

The Government proposes to provide for the participation of persons who are not law enforcement officers in controlled operations. It is not proposed to exclude persons from this possibility by reason that they are an informant or that they become involved by reason of their own criminal activities. The participation of an informant may be vital to the success of a controlled operation, and it may be difficult to secure their cooperation where prospective immunity cannot be offered. In this respect it is important to note that all non-law enforcement participants in a controlled operation, whether informant or otherwise, are subject to the requirement that the conduct for which immunity may be given must be in accordance with the operation, and in accordance with any and all directions given by a supervising officer.

DOCUMENTS

Auditor-General's Reports

No. 31 of 2000-01

The DEPUTY PRESIDENT—In accordance with the provisions of the Auditor-General Act 1997, I present the following report of the Auditor-General: Report No. 31 of 2000-01—Performance Audit—Administration of Consular Services: Department of Foreign Affairs and Trade.

SOUTH AFRICA: HEALTH CARE

The DEPUTY PRESIDENT—I present a response from the South African High Commissioner, Zolile T. Magugu, to a resolution of the Senate of 8 March 2001 concerning the health situation in South Africa.
BUDGET 2000-01
Consideration by Environment, Communications, Information Technology and the Arts Legislation Committee

Additional Information

Senator CALVERT (Tasmania) (3.35 p.m.)—On behalf of the Environment, Communications, Information Technology and the Arts Legislation Committee, I present transcripts of evidence and additional information received by the committee relating to supplementary hearings on the budget estimates for 2000-01.

COMMITTEES

Public Accounts and Audit Committee

Report

Senator CALVERT (Tasmania) (3.35 p.m.)—On behalf of Senator Gibson, on behalf of the Joint Committee of Public Accounts and Audit, I present the following report of the committee: Report No. 380: Review of Auditor-General’s Reports 1999-2000, Third Quarter. I move:

That the Senate take note of the report.

I seek leave to incorporate a tabling statement in Hansard.

Leave granted.

The statement read as follows—

REPORT 380

Army Individual Readiness Notice; Examination of the Federation Cultural and Heritage Projects Program; Management of Job Network Contracts Review of Auditor-General’s Reports; 1999-2000; Third Quarter.

Madam President, on behalf of the Joint Committee of Public Accounts and Audit, I present the Committee’s Report No. 380—Army Individual Readiness Notice; Examination of the Federation Cultural and Heritage Projects Program; Management of Job Network Contracts. This is our Review of Auditor-General’s Reports for the third quarter of 1999-2000.

Madam President, the Committee held a public hearing on 6 October 2000 to discuss these ANAO Reports with the relevant Commonwealth agencies. I will briefly discuss issues in each of the selected reports in turn.

Audit Report No. 26 reviewed the Army Individual Readiness Notice (AIRN) which seeks to bring individual readiness components together into a single instruction and to establish a minimum level of individual readiness across Army. The audit found scope for improving the effectiveness of AIRN in achieving its then primary objective, namely, to ensure that all Army members could be deployed on operations within 30 days of notification.

This report focuses on a number of issues arising from the audit report including the development and implementation of AIRN, individual readiness components, and Defence’s response to ANAO recommendations.

The Committee observed that the administrative processes put in place to support AIRN were not appropriately efficient or flexible. The initial AIRN implementation plan had been developed without an appreciation of the size of the task.

The Committee supports Army’s proposed improvements to information systems support and visibility of personnel data, and is pleased that Army considers that the costing of AIRN is a priority of the review.

In relation to individual readiness components, the audit report found that only two of the six components appeared to have a direct relevance to ascertaining the ability of members to deploy.

Army advised the Committee that a number of amendments are to be made to the existing AIRN policy and all full-time and part-time personnel will be required to meet the new baseline AIRN requirement. The policy will be expanded to include Individual Readiness Standards that are linked to directed unit readiness levels.

The Committee considers individual readiness is the basis for military preparedness. While the Committee understands Army’s requirement to have a system in place to ensure operational deployment of personnel in an appropriate timeframe, it considers that Army’s implementation of the former AIRN left a great deal to be desired.

Army had not followed through on its own objective in that it did not have in place sufficient readiness component standards to give it assurance on the former AIRN standard of 30 days.

The imprecision associated with readiness component standards and the absence of linkage to the primary AIRN objective created a fundamental difficulty in providing Army with the assurance it sought from AIRN on the deployability of personnel.

The Committee notes that Army had now agreed with the ANAO that AIRN can be enhanced through the process highlighted in recommendation No. 6 of the audit report and is undertaking the adjustment of some AIRN component standards.
The Committee noted that some of Army’s responses to ANAO’s recommendations had subsequently undergone substantial change. In the past, the Committee has not always been satisfied with the quality of Defence responses to audit reports or the follow-up of ANAO and JCPAA recommendations.

While the Committee is aware that Defence has recently made a number of positive changes to the way in which it now follows up recommendations, it wants Defence to give appropriate and detailed consideration to all the ANAO’s recommendations at the time they are made. The Committee considers that if Defence intends to give further active consideration to a recommendation, it should state this explicitly in its response.

The JCPAA has continued its efforts in encouraging an open and positive relationship with Defence. It is pleased that the ANAO report has been a useful document for Army. It has provided a positive stimulus for Army to re-evaluate AIRN’s objectives, components and record-keeping, and has driven a process aimed at establishing appropriate readiness requirements and associated costs.

Although Army is reviewing AIRN, one area of particular concern to the Committee is the apparent lack of adequate analysis being applied to what constitutes sufficient warning time in a conflict, what constitutes a sufficient level of readiness, and the cost implications of readiness sustainability. The Committee has recommended accordingly.

In the second report selected, the Committee reviewed the audit on the Examination of the Federation Cultural and Heritage Projects Program, which gave $70.4 million to a total of 60 projects as part of the Centenary of Federation. The audit concluded that the assessment process was rigorous, transparent and well documented and generally complied with the ANAO Better Practice Guide for the Administration of Grants. For the most part, there was an effective audit trail. However, there was room for improvement in the administration of the grants to ensure a clear audit trail for the selection of projects and the distribution of funds.

The Auditor-General found there was no evidence that any needs analysis had been conducted at a State or regional level or between the need for cultural or heritage projects prior to the introduction of the program. A needs analysis can provide a basis for the allocation of funds to proposed projects and this would be administratively transparent.

The JCPAA strongly supports a rigorous needs assessment process so program funds are well targeted. We therefore recommended in Report 380 that the Department of Communications, Information, Technology and the Arts implement its draft Guidelines for the administration of grant programs. These Guidelines had been developed subsequent to the audit and had taken into consideration many of ANAO’s recommendations.

Another matter of concern to the JCPAA was the lack of public detail about the reasons behind successful selection for the grants, or for failure to be selected. Although the Minister for Communications, Information Technology and the Arts and the Minister for the Environment and Heritage had documented their reasons for grant decisions under the program, these reasons were not released publicly. While the release of this information is at the Ministers’ discretion, the ANAO considers that, because the expenditure of public funds is involved, the reasons for selecting successful projects should be made publicly available—or at least on request. The Auditor-General suggested that public perception and confidence in the openness of the decision-making process were important.

The Committee agrees with the Auditor-General in urging that the reasons for successful grants applications should be made available to those involved. Applicants deserve transparent processes in this respect.

In addition, the Committee recommended that after grant decisions are finalised, all applicants, successful or otherwise, should be notified of the decision as soon as possible in writing, advised of relevant appeal processes and provided with guidance for improving subsequent applications. DoCITA determined that ‘the advice letter to applicants whose applications have been rejected should include information on how to appeal against the decision.’

The Committee is pleased with this outcome of applicants being advised as soon as possible after the ministerial/delegate decisions are made and being shown how to appeal the decision made, if deemed necessary.

The final ANAO report the Committee reviewed in this quarter was on the Management of Job Network Contracts, which audited the efficiency and effectiveness of the management of the first round of Job Network contracts. ANAO found that,
on the whole, these contracts were managed in an efficient and effective manner by the Department of Employment, Workplace Relations and Small Business.

One area where further improvements could be made was in departmental communication on strategic, issues, with provider representatives and Centrelink officers. The Auditor-General found that these groups had not been brought together on a regular basis to consider proposed changes to the management of the Job Network program. It would also have been beneficial if these groups had had opportunities to discuss how to approach significant issues confronting the Job Network.

The Committee was pleased to note that since the audit, senior officials from the department, Centrelink and other essential representatives meet every two months in the presence of the Minister for Employment Services to discuss matters of strategic and significant operational importance with respect to the management of Job Network.

The Committee agrees that this is a sensible arrangement, providing a forum where departmental representatives, Centrelink and Job Network providers can exchange views and consult about strategies to overcome problems that may arise. The Committee believes that these regular meetings should help improve communication, especially on strategic issues, and assist in the smooth delivery of services to Job Network clients. The department will be able to inform Job Network providers of program variations, hear their reactions and take these into consideration before finalising and implementing any changes.

The meeting of senior officials is a key to better implementation of change to the design of Job Network.

The Committee was informed by the department that it had taken into consideration all ANAO’s recommendations in its development of the Job Network 2 contracts. These improvements should further ensure that contract management will be more efficient and result in more effective compliance monitoring of and a better risk management approach to the Job Network programs.

In addition, the department has ensured that all Job Network contracts will provide the Auditor-General with access to the premises of Job Network providers and access to confidential information involved in contracts, should ANAO request these as part of an audit. ‘Commercial-in-confidence’ will no longer be a shield for Job Network contractors to shelter behind.

The Committee is pleased to note the department’s implementation of JCPAA earlier recommendations on this issue of Auditor-General access to third party premises. Such access will doubtlessly facilitate the Auditor-General’s audit responsibilities where third party contractors are involved.

May I conclude, Madam President, by thanking on behalf of the Committee the witnesses who contributed their time and expertise to the Committee’s review process.

The Chairman has asked that his thanks be recorded to Members of the Committee who have dedicated their time and effort to reviewing these Auditor-General’s reports. As well, he would like to thank the members of the secretariat who were involved in the inquiries.

Madam President, I commend the Report to the Senate.

Question resolved in the affirmative.

Public Works Committee Report

Senator CALVERT (Tasmania) (3.36 p.m.)—On behalf of the Parliamentary Standing Committee on Public Works, I present the 64th general report. I move:

That the Senate take note of the report.

I seek leave to incorporate my tabling statement in Hansard.

Leave granted.

The statement read as follows—

General comments

The Sixty-fourth General Report has been prepared in accordance with Section 16 of the Public Works Committee Act 1969.

The Report presents an overview of the work undertaken by the Joint Committee on Public Works during the calendar year 2000, the total value of more than $550 million.

Issues

While much of the Report summarises the 13 inquiries completed by the Committee in 2000, the Committee has also seen fit to report to the Parliament a number of issues. They include:

- the quality of evidence presented to the Committee;
- independent audits of proposed works;
- consultation with all stakeholders; and
- heritage matters.

Quality of evidence

I would like to make three comments about the quality of evidence.

- First, in terms of submissions presented by proponent agencies, the Committee experi-
enced instances where submissions lacked sufficient detail. This led the Committee to request additional information, which added to the time to consider the proposal.

- Secondly, in some cases the Committee found submissions could be improved simply by using plain English rather than jargon and endless acronyms.
- Thirdly, of particular concern to the Committee was evidence that was contradictory. Inconsistencies in evidence presented to the Committee and evidence presented to Senate Estimates Committees caused frustration and wasted time.

**Justification for proposed work**

Related to the quality of evidence is the justification for a proposed public work. The Committee expects all proponent agencies to provide clear evidence and arguments to justify their respective proposals. Better submissions provide details of:

- cost-benefit analyses;
- internal rates of return;
- independent audits; and
- whole of life assessments of the proposed work.

**Conclusion**

In conclusion, I would like to record the Committee’s appreciation for the support provided by the Secretariat. Like most secretariats in the House of Representatives, the staff in the secretariat support two committees.

I would also take this opportunity to acknowledge that other areas in the Parliament, such as the Parliamentary Library and the Table Offices in the Senate and the House of Representatives, support both the Committee and the Secretariat.

The end result is the Committee fulfils its duties as prescribed by the Public Works Committee Act.

I commend the Report to Honourable Senators.

**Question resolved in the affirmative.**

**BANKING: SERVICES AND FEES**

Senator CONROY (Victoria) (3.37 p.m.)—I move:

That the Senate—

(a) notes that since 1996:

(i) more than 1,500 bank branches have closed throughout Australia, reducing community access to financial services, particularly in regional Australia, and

(ii) the fee for a transaction conducted in a banking branch has increased by as much as 400 per cent and that since 1997 banks’ fee income from households has increased by 53 per cent; and

(b) urges the Commonwealth to immediately begin discussions with the banks on establishing a banking social charter to ensure that banks meet their social obligations to the community.

On Monday of this week, Kim Beazley released Labor’s banking policy, a policy which sets down a vision for addressing banks’ social obligations to the community. We will do this by, if necessary, legislating a social charter. Today, I would like to compare our vision on banking with the hapless rabble that is this coalition government—a government that is policy vacant in this field. The Minister for Financial Services and Regulation, Mr Joe Hockey, has been given the task of articulating his government’s position on banks. But it is clear that all Mr Hockey is able to do is weakly attempt to play undergraduate politics. His performance has been so poor that when Labor’s shadow Assistant Treasurer, Kelvin Thomson, asked Mr Hockey a question on the coalition’s banking policy at question time yesterday, it was the Treasurer, Mr Costello, knowing of the minister’s track record as a serial bungler, who stepped up to answer, leaving Minister Hockey sitting in the corner with his dunce’s cap on. Just in case I am accused of being biased against the government, I quote from the front page of today’s Australian newspaper. Dennis Shanahan states:

Since Labor wrongfooted the government on Monday... Financial Services Minister, Joe Hockey has become jammed between John Howard and Kim Beazley and appears unsure what to do.

He’s not sure whether to attack the banks or defend them, whether to argue in the interests of bank shareholders or customers, and whether to accuse Beazley of being a bank regulator or wrecker.

After wallowing in Question Time yesterday, Hockey had to be embarrassingly extricated by Peter Costello.

Dennis Shanahan then finishes his article by calling Mr Hockey a ‘minister in confusion’. 
But I return to the start of the week when Mr Hockey’s bungling and confusion began. Having been caught completely unprepared by Labor’s banking policy announcement, Minister Hockey’s first reaction was to accuse Labor of plagiarism, of stealing the Australian Bankers’ Association policy. Let us look at why the minister said that. Last week on the Australian Bankers’ Association web site an interesting letter appeared. It was an undated letter from the Minister for Financial Services and Regulation, Mr Joe Hockey, to Richard Viney, who is currently reviewing the banking code of conduct. The letter was an additional submission to the review of the banking code, and it stated:

In addition to my general support for the recommendations, I wish to express my specific support for your recommendation for 1) a uniform basic account for the disadvantaged in our community; 2) a protocol for rural bank closures; and 3) greater effort towards the achievement of access arrangements for disabled customers.

Coincidentally, these are the same three points from the ABA’s announcement on Monday, and they were contained in Mr Hockey’s letter the week before. The ABA announced on Monday: guaranteed minimum standards for safety net basic bank accounts; adoption of a transaction services and branch closure protocol; and lodgment of a disability action plan with the Human Rights and Equal Opportunity Commission. We know that the minister has been in consultation with the ABA, because he told us that this week. He said, ‘We’ve been talking to them for six weeks.’ But you have to ask Mr Hockey: why did you leak the ABA’s position? Because that is what happened last week; Joe Hockey tried to grandstand—

The DEPUTY PRESIDENT—Mr Hockey.

Senator CONROY—Minister Hockey, thank you, Madam Deputy President. Joe Hockey—

The DEPUTY PRESIDENT—Mr Hockey.

Senator CONROY—Minister Hockey leaked the ABA’s policy last week. I checked the record to see whether Minister Hockey has ever publicly advocated that banks introduce a basic banking product. Not surprisingly, I have been unable to find any evidence that he has ever advocated this move. That is not to say he is not quick to attack the banks; he just will not do anything about the banks.

An interview on 2 November on the 7.30 Report is a good example of his inaction. In the interview, Alan Kohler questioned Louise Petschler from the Australian Consumers Association on basic banking services. Ms Petschler stated:

We see the banks talking about having a communication problem in terms of selling the advantages they offer, but I think what they are failing to understand is that there are genuine access issues and genuine anger over the fact that in a time of record profits, consumers are continuing to be priced out of basic bank accounts and basic banking services.

Alan Kohler then asked Joe Hockey whether he would actually do anything about the issues Ms Petschler raised. Joe Hockey replied with his familiar lines:

The taxpayer or consumer ends up paying for any additional obligations that are placed on banks.

How does Mr Hockey come to advocate a basic bank account just five months later? Who is paying, on Mr Hockey’s analysis? It appears that the answer is that the minister is just too lazy to do his own policy work so he tried to steal the ABA’s work as his own.

I have already discussed the Treasurer standing up Mr Hockey at question time yesterday. This was not the first time that the Treasurer has had to rescue the minister this week, though. Following the minister’s abysmal performance on Monday night, the Treasurer was forced to do what was described even by the press as a ‘rare doorstep interview’ on Tuesday morning to try to cover up some of the damage that his minister had caused. On the one hand, the minister said Labor had stolen its banking policy from the Bankers’ Association—that was on Monday. On Tuesday, the ABA publicly stated that it did not believe legislation was necessary. You would have to ask: if Labor have stolen the Bankers’ Association’s policy, why haven’t they endorsed it? In fact, why are they opposed to what Labor say? Why did David Bell from the ABA say on the 7.30 Report two nights ago, ‘We don’t support
what the Labor Party are doing? It is very strange that we stole their policy and now they are opposed to their own policy. But yesterday, Wednesday, the minister claimed the Finance Sector Union of Australia had written our policy. First he said the ABA wrote our policy and then he said the Finance Sector Union wrote our policy. I am sure that if we are not careful he will claim next he has written our policy.

The minister was confused as to whether Labor’s banking policy would be passed on to consumers or shareholders and how much it would cost. In a press release two or three weeks ago he suggested that plans to return banking services to communities which had lost them would cost $100 million. Earlier this week, the government suggested that our policy could cost $300 million. By the end of this week the minister was saying that Labor’s banking policy would wipe $14 billion off the share prices of the major banks.

This hapless scare campaign follows Minister Hockey’s efforts in New York just three weeks ago. There he stated:

A lot of institutional money is in banks and Telstra ... and the Labor Party is moving to deregulation of banking and to use Telstra as a social policy tool.

He continued:

The feedback is loud and clear that they [investors] are concerned about the ramifications. When asked if the Australian dollar would fall if there were a change in government, he said, ‘That’s what the markets are saying.’ I would bet that there are a few bank chief executives who would like to put some gaffer tape over Mr Hockey’s mouth at the moment to prevent him from causing any more real damage to their share prices. The lucky thing, of course, is that no-one takes Minister Hockey seriously. That is why, when Labor released its banking policy, the bank share index actually increased.

Labor has stated that a Beazley Labor government will: restore banking services from where they have been lost; provide fee-free banking for social security recipients; offer accessible, low-fee, no-frills banking accounts for all Australians; create a stronger mechanism for resolving complaints about banks; and direct the ACCC to monitor all bank fees and charges. In addition, Labor would require full disclosure of ATM fees at the time of transaction and better security at ATMs, and it would ensure that credit card companies could only increase a credit limit if they are asked to by their consumers. Labor will deliver these and other important initiatives through a social charter with the banks. The charter will be legally binding and will be backed up by this new complaints resolution mechanism. Labor is absolutely determined to deliver a binding, enforceable social charter with teeth. If the banks refuse to negotiate an acceptable charter, a Labor government will legislate for one.

What has been the reaction from consumer groups to our policy announcement? The Combined Pensioners and Superannuants Association press release heading stated ‘ALP banking plan offers a lifeboat for pensioners and the disadvantaged’. They went on to say:

The Labor Party’s five point banking plan places consumer need in front of corporate greed and provides a blue print for the delivery of better banking services to pensioners and other disadvantaged Australians.

We endorse plans for a comprehensive social charter, fee free banking for pensioners, improved disability access, and six monthly reporting on banks compliance through Social Obligation Statements.

The press release from the Financial Services Consumer Policy Centre states:

The Financial Services Consumer Policy Centre also welcomed the ALP’s new banking policy platform. Mr Connolly said that “this policy should lead to the greatly enhanced provision of affordable banking services. The ALP’s proposed policy will safeguard consumers against the manner in which Australian banks have been conducting their business over the past ten years, and will also implement the long called for social obligations.

There is nothing radical about the ALP’s proposal, it merely catches up with developments that have already occurred in places with banking systems similar to Australia such as Canada, the United Kingdom and the United States.
The Australian Consumers Association press release is headed ‘ALP Banking Policy—Right Direction Says ACA’. It states:

The Australian Consumers Association today welcomed the ALP’s banking election platform. If implemented effectively, it would provide a strong framework for a competitive and consumer focused banking sector—and a win for consumers in communities.

For too long the banks have been able to get away with closing branches, driving up fees and reducing services. Consumers have been crying out for fair standards in banking, while governments have washed their hands of the issues. Mandating social obligations is a critical step forward for consumers.

This is not a return to old fashioned regulation. Competitive and profitable banks are critical to the economy. Meeting social obligations will not break the banks—it gives them a powerful opportunity to reconnect with their customers and rebuild ties with the community.

I would like to finish my comments today by placing on public record my congratulations to the Financial Services Consumer Policy Centre for their research into social exclusion in financial services, which was released with our banking policy on Monday.

Senator McGauran interjecting—

Senator CONROY—The research was conducted by Chris Connolly and Khaldoun Hajaj of the Financial Services Consumer Policy Centre at the University of New South Wales. This is an academic research centre, Senator McGauran, just for your information.

The DEPUTY PRESIDENT—Address the chair, thank you.

Senator CONROY—It was released on Monday, as I said, with our banking policy. The research was the first piece of Australian research into financial and social inclusion. Perhaps I can say—through you, Madam Deputy President—that Senator McGauran may scoff. But the people in Benalla, the people you claim you want to represent, where you set your office up, will tell you about this banking policy, and I am willing to go to Benalla on any day you want to nominate—

The DEPUTY PRESIDENT—Address the chair, please.

Senator CONROY—And stand on the street corner with the punters in Benalla and have a debate about banking policy, because I am willing to bet that you will not turn up. I am willing to bet that you will not turn up, Senator McGauran.

The DEPUTY PRESIDENT—Address the chair, please.

Senator CONROY—Major conclusions of the research included: banks have created a bank fee poverty trap, which poor customers are unable to escape; Australia is one of the most concentrated banking markets in the world and has one of the most concentrated markets for retail transaction accounts; Australian bank accounts are second only to Canada as the world’s most expensive, according to the Cruickshank report, a UK commissioned study into the cost of UK banking that was released last year—we have the second most expensive bank accounts in the world; and the development of Internet banking will mean that access to technology will become a significant barrier to the accessing of financial services.

Research conducted by the centre into social exclusion demonstrated the impact that branch closures can have on communities. The research included a detailed case study of a suburban shopping centre which had lost its banking branches. I invite anyone listening and anyone on the other side of the chamber to look at this study about what happened to Minto in Sydney’s south-west. It has an unemployment rate of 15.1 per cent, almost three times higher than the national average. Until five years ago Minto Mall, the suburb’s shopping centre, had three bank branches. It now has none. The Commonwealth Bank pulled out the last branch in April last year. The shopping centre now has vacancy rates of more than 30 per cent. The research found that the presence of banks in shopping centres means that more affluent consumers from surrounding suburbs are drawn to the centres to do their banking and shopping. When the banks leave, so do the shoppers. Because Minto is such a poor area, many residents use local transport. The closure of banks has meant that residents must travel to the nearest bank, located in Ingleburn, a neighbouring suburb, requiring
The research by the Financial Services Consumer Policy Centre demonstrated that there is a need for government to take action to address the issue of social exclusion in financial services. Social exclusion is one outcome of the banks’ rampant desire to pursue greater and greater profit levels. Labor have long been aware of the impact that social exclusion can have. That is why, when Labor were in government, we directed the predecessor of the ACCC, the PSA, to conduct an inquiry into bank fees. It is important to remember that at the time some banks did not charge fees at all for over-the-counter transactions. Now, in some bank branches you pay $3. Following the PSA inquiry in 1995, Labor negotiated with the banks to introduce a basic bank account and then directed the ACCC to formally monitor bank fees and charges. Of course it is a matter of record that Labor lost the 1996 election and the Howard administration took over. What happened to those bank accounts? The banks walked away. When Howard came to power, there was no basic bank account delivered.

The announcement by the ABA this week that it would introduce a basic bank account is merely a return to the promise it made to the Labor government five years ago. While we are supportive of the ABA’s move, the banks’ record on sticking to their commitments has not been good. That is why Labor’s social charter will be enforceable. Unlike John Howard, Labor will not just talk about social obligations; we will ensure the banks meet their obligations. On the issue of banking, the electorate now have a clear choice to make. They can choose between a government that is devoid of vision, that is prepared to play dirty politics in a desperate bid to retain power and that will take no action to address the banks’ social obligations. Or the electorate can elect a Labor government that have developed a comprehensive plan backed by comprehensive research to ensure that all Australians have access to affordable banking services, no matter where they live and no matter what they earn.

This government is in denial. It just wants to look after its mates at the big end of town. The four major banks made $9 billion in the last year—$9 billion in profits. At the same time, in the five years of this government they have closed 1,500 branches. That is the figure that you won’t hear from the lips of the Treasurer and you won’t hear from the lips of the Prime Minister. In the last five years banks have got away with closing 1,500 branches. Fees for over-the-counter transactions have gone up by between 50 and 100 per cent in the last 12 months. That is the record of this government that defends the banks, defends the $9 billion and defends the branch closures. Then they say, ‘Well, it’s all about protecting the shareholders.’

But the ABA, to their credit, have put up their hand and said, ‘We are prepared to talk about social obligations. None of the banks have said to us this week that they will not talk about social obligations and that they are not prepared to sit down and talk about the social charter.’ The good news is the ABA signed up to the Labor Party’s policy in 1998. The problem is we have moved on and we have a new policy in 2001. But we welcome this as a first step by the ABA. We welcome it as a first step, but it is not the last step. When the government stand up next, look at how hollow their words are, look at how they want to cry crocodile tears because the banks are ripping off the punters, and just give them the credit they are due—which is nothing.

**Senator EGGLESTON (Western Australia) (3.57 p.m.)—**What a wonderful exposition that was on the part of Senator Conroy, trying to defend the indefensible. The Labor Party policy quite clearly is plagiarised—

**Senator Tierney—**Stolen.

**Senator EGGLESTON—as Senator Tierney has said, stolen—from the policy announced by the Australian Bankers Association over the weekend. Lo and behold, point by point, Labor’s policy and the banking association policy are exactly the same. Yet Senator Conroy, brave as he is, is willing to stand up and pretend that the Labor Party thought this up all by themselves. What a lot of nonsense. How can you have, point by point, a policy that is exactly the same and then stand up here in the Senate, bald faced, and say, ‘This is our idea. We haven’t plagia-
rised a thing. We are men of great initiative and we have come up with a policy which—surprise, surprise—is exactly the same, word for word, comma for comma, as the Australian Bankers Association policy announced two days before. Senator Conroy, you are to be congratulated because you have kept a straight face throughout the whole episode and you certainly therefore deserve some sort of recognition—perhaps just for your unbelievable arrogance. But there we are: it is an award which you could well be awarded. To come in here and pretend that this was something new and something different, when it is quite obviously just a straight copy of the ABA policy, is quite outrageous.

Let us have a look at what the ABA policy is. They say, firstly, they will provide free banking to holders of welfare cards. That is some five million customers. It seems that that is also point one of the ALP policy. Just amazing, isn’t it? Secondly, the ABA say they will have a policy of careful consultation on banking in rural and regional areas whenever there is a proposed closure—surprise, surprise, exactly the same as point two of the Labor Party policy. The ABA policy says they will undertake a three-month bank closure protocol in rural areas—very similar, strangely, to the Labor policy. And the last one, a very important one, is that the ABA says they will undertake significant access arrangements for disabled customers—surprise, surprise, yet again that is point four of the ALP policy. Isn’t it amazing that these things are exactly the same? I guess we should congratulate the Labor Party on having some sort of social conscience about banking.

This government has been concerned for some time about issues to do with rural Australia, and the issue of closure of banks has been high on the list of this government’s concerns. But under Labor some 500 banks closed in the last three years of the Labor government and Labor had no plan to provide alternative banking services to people in rural areas. They just sat there and watched these services being withdrawn from country towns and did not give a hoot. They just sat and watched it happening and thought, ‘That is too bad, but these people are country people. They don’t vote Labor so we’re not going to worry about them.’

Senator Conroy interjecting—

The DEPUTY PRESIDENT—Order! Senator Conroy, please come to order.

Senator EGGLESTON—Under the Howard government, not only have we been concerned about rural areas but we have come up with some innovative policy options to ensure that services are maintained in rural areas—things such as rural transaction centres, which are providing better services, including banking services, in rural areas. You in the ALP—not Senator Conroy personally, of course, but the ALP in general—did absolutely nothing for people in country areas. That is well known, well documented and quite undisputable. We come to today when the ALP have pulled out this magical banking policy from their hat like a magician. What do they have? They have the ABA’s policy for country areas word for word, and they are claiming it is their own. What an appalling thing for the ALP to try to foist on the Senate and the Australian people—to have them believe that a policy that they have clearly plagiarised from the ABA is their own policy.

Let us have a look at the record of the Howard government. The Howard government have been working with the banks for some time to find ways of reducing the cost of banking, especially to pensioners, and to ensure that people in rural and regional areas have adequate access to banking services. We set up the Viney review which, among other things, was required to look into banking services. As it happens, the Howard government, as an indication of their concern for people in rural areas and of the need to maintain banking services in rural areas, made two submissions to the Viney inquiry.

Senator Tierney—How many did the Labor Party make?

Senator EGGLESTON—That is a very good question, because the Labor Party did not make a submission at all.

Senator Tierney—Not one.

Senator EGGLESTON—Not one submission. That is indicative—
Senator Tierney—Disgraceful.

Senator EGGLESTON—As Senator Tierney says, it is disgraceful. It is indicative of the Labor Party’s interest in people in rural and regional Australia and of their concern that important services like banking be maintained and made available, even in a world which has changed quite considerably through the introduction of technology which has meant that the cost of providing banks in country areas is now difficult for banks to sustain. But the Labor Party did not make any submissions to the Viney review suggesting alternative means of delivering banking services to rural areas. That speaks for itself.

It seems that the ABA, the Australian Bankers Association, briefed the Labor Party last Friday on its new four-point plan in relation to fee free banking and the other points which we have mentioned. The Labor Party then, quick as a flash, plagiarised the lot and announced it as their own policy on Monday. Senator Conroy, you must feel embarrassed about this. You are a person with some knowledge of the finance sector. One likes to think you have a sense of ethics and responsibility. I am sure you must have felt terribly embarrassed about the fact that Kim Beazley was claiming that this policy was his own, devised by the ALP, when it was quite clearly a straight pinch from the Australian Bankers Association policy, which you were briefed about on Friday but which you rushed to lay claim to on Monday morning.

The only aspect of policy which was Labor’s own idea in this whole sorry story was the idea to impose a levy on every bank customer in Australia in order to reopen bank branches which had closed.

Senator Conroy—that is not true.

Senator EGGLESTON—it is true, Senator Conroy. I am glad to hear you are listening, because it is a sad story. I would not like you to miss any of it, because it is so sad that I think you ought to hear it through.

Senator Conroy—you cannot mislead the Senate like that.

Senator EGGLESTON—we are not misleading the Senate. The point is that the only aspect of this banking policy which was new and not stolen from the ABA was the idea of a levy. The ALP wanted to use this levy to reopen banks which had closed in country areas. However, the fact is that some 500 banks were closed in the last three years of the Labor government and to reopen them would cost at least $300 million a year. But the odd thing is that Labor’s levy will generate only $20 million a year—just a small shortfall of $280 million.

Senator Conroy interjecting—

Senator EGGLESTON—you did not make that clear when you announced this policy.

Senator Conroy—Kim Beazley said it at the press conference.

Senator EGGLESTON—he said it on Tuesday; he did not say it on Monday. On Monday he gave the impression that you would be reopening branches all over regional Australia. By Tuesday, faced with the reality that the levy was not going to generate enough money to do anything like that, he revealed that banking would be provided through alternative means such as post offices and so on—very much like, I must say, the rural transaction centre policy of the Howard government. I suppose we should regard it as a vote of confidence in the Howard government’s policies for regional Australia in terms of providing additional services in regional areas. If that is what it was meant to be, Senator Conroy, we gracefully accept your praise and your vote of confidence.

Senator Conroy—you cannot even keep a straight face when you say that.

Senator EGGLESTON—Senator Conroy, I feel that I should be slightly benign to you. I know how embarrassing it is for you and, indeed, one has to feel just a little bit sorry for you. We are very pleased, however, that you do support the Howard government policy providing services through alternative means such as rural transaction centres.

Let us think about what the future holds. What is the Labor Party really going to do? We know that they are really not going to restore banking services to what they were in the past. They have accepted that things have changed. They have accepted the fact that the
Howard government policy of providing services through alternative means is a good idea, and we are very pleased to see that in general principle they are supporting that.

If one looks back at the history of what happened to banking under Labor, their record was pretty dismal. Mortgage interest rates under Labor—just to throw that in—were up to 18 per cent in 1989; under the coalition in March 2001 they are 7.25 per cent. Under Labor there were 107,000 EFTPOS terminals around Australia; there are now 320,000. Under Labor there were about 7,000 ATMs around this country; there are now 10,800. Under Labor there were about 134,000 points of access to the finance system; during the time of the Howard government—which has not been in office for very long at all—there are 346,000 points of access. We have more than doubled the points of access for ordinary people to the financial sector, and that in itself tells a very big story. It carries the message that the Howard government is determined to make access to banking easily available to the people of Australia wherever they live, and I think that is the message I would like to leave with the Senate this afternoon.

The ACTING DEPUTY PRESIDENT (Senator Chapman)—I call Senator Tierney.

Senator TIERNEY (New South Wales) (4.10 p.m.)—Thank you, Mr Acting Deputy President.

Senator Conroy—You are still here!

Senator TIERNEY—I am really glad that you have raised the point, Senator Conroy. The Labor Party is so interested in this debate that people have not even turned up. Where is the second Labor speaker? Where is the Democrats speaker? The next speakers on the list, Senator Woodley and Senator Mackay, are not here. No-one sought the call.

Senator Conroy—There is no such thing as two Liberals in a row.

Senator TIERNEY—No-one sought the call.

Senator George Campbell—I was about to get on my feet when you called Senator Tierney.

Senator TIERNEY—I was on my feet and you were not. You should not have been asleep, Senator.

The ACTING DEPUTY PRESIDENT—The speaking list that I have indicates that the next speaker was Senator Woodley, and then Senator Mackay before you, Senator Campbell. Neither of them are here, so it then goes to Senator Tierney.

Senator Conroy—Mr Acting Deputy President, on a point of order: you allowed a substitution between two Liberal senators earlier when Senator Tierney, as you can clearly see, was meant to be the first Liberal speaker.

Senator TIERNEY—And I am still on the list, ahead of Senator Campbell.

Senator Conroy—We did not object—and we are not trying to take you off the list. We are looking forward to his contribution.

Senator TIERNEY—Your person was not here.

Senator Conroy—You allowed them to swap—

The ACTING DEPUTY PRESIDENT—Resume your seat, Senator Conroy.

At that time, Senator Eggleston sought the call. Senator Campbell did not seek the call.

Senator TIERNEY—He was fast asleep.

The ACTING DEPUTY PRESIDENT—Senator Tierney now has the call, unless he cares to yield to Senator Campbell.

Senator George Campbell—Mr Acting Deputy President, on the point of order: the speakers list that I have sitting in front of me has me down to follow Senator Eggleston. I was not aware that there had been a switch earlier in the program. The normal procedures that operate in this place is that a speakers list is drawn up, and we can expect to get the call when we are placed on the speakers list following the conclusion of the speech of the speaker before us. Senator Eggleston did not even take up his 20 minutes.

The ACTING DEPUTY PRESIDENT—if Senator Tierney cares to yield, then I will call Senator Campbell.
Senator TIERNEY—I will yield to Senator Campbell, Mr Acting Deputy President, but I make the point that he really should be awake and on his feet at the right time.

Senator GEORGE CAMPBELL (New South Wales) (4.12 p.m.)—Thank you, Mr Acting Deputy President. We are well and truly awake to what is happening in this country with the banks in collusion with this government and the rip-off of ordinary consumers that is taking place in the finance sector. The reality is, as we all know—as everyone in this chamber, in this parliament and in this country knows—that the banks are on the nose with the community. The Labor Party has put in place a policy which gives the banks a chance to redeem themselves and their image with the community. The social charter that we have put forward will be legally binding on the banks if the banks cannot see it in their hearts to voluntarily take it on board and move down that path. 

Let us look at some of the major decisions that have been made by the banks that have led the Labor Party to take this policy approach, decisions that have caused them to be amongst the most hated institutions in our community. Among these decisions are: increases to bank fees and charges; bank branch closures, particularly in rural and regional areas, causing massive job losses; loss of customer service through job losses; forcing customers to new technologies that are inadequate for their banking needs; hidden fees on credit cards set in an anticompetitive manner; a general move away from basic banking services for everyday people towards premium products tailor-made for large companies; and failing to pass on new technology cost savings to the banking community. And on top of this, every year the banks announce record profits. Let us have a look at some of those profits.

In 1998, the CBA made $1.25 billion; in 1999, $1.42 billion; and in the year 2000, $1.71 billion. The National Australia Bank in 1998 made $2.014 billion; in 1999, $2.821 billion; and in 2000, $3.377 billion. The ANZ in 1998 made $1.175 billion; in 1999, $1.480 billion; and in 2000, $1.703 billion. Westpac in 1998 made $1.342 billion; in 1999, $1.456 billion; and in the year 2000, $1.715 billion. There was constant growth in their profits, constant growth in their charges and constant reduction of the services available to the ordinary banking consumer.

Meanwhile, whilst we have been in the midst of these rising profits, bank closures and job losses, let us look at what has been happening to the executive salaries in the banking system. They have simply gone through the roof. Let us take the example of the CBA, the Commonwealth Bank of Australia. In June 1994, the directors fees of that bank were $1,442,137. In June 1999, those fees totalled $2,868,622. That is a 99 per cent increase over a period of five years to the directors. What happened to the chief executive officer, David Murray? His salary over that period increased to $1.990 million and grew at the rate of 272 per cent, in addition to which he got $42 million in share options.

So we know who has been benefiting from the increased profits of the banks. They have not been going back into providing better consumer services; they have been going to line the pockets of the executives of those banking corporations. What have they done to address community anger and concern at these actions? They have paid radio announcers to try and give them a good image in the community. No-one in this community forgets the John Laws cash for comment scandal. What was the going rate for the banks to get favourable comment out of John Laws? He was paid something like $1 million for saying nice things about the banking community. It was somewhere in that range.

Has anyone seen the ads that are running on television at the moment for the St George Bank? Has anyone seen the ads of the people sitting around the picnic table when the individual says he is a banker? Even the dog freezes at the thought of a banker being around the picnic table! Here is a bank using the negative attitude that is out in the community about banking to try and lift its own stocks. St George are very aware about the feelings there are in the community towards banks and the way in which they treat their consumers. The reality is that the
day employers moved to pay wages and salaries directly into banks was the day that these banks inherited a social obligation—that is, to allow people to access their hard-earned money without having to pay a fee.

Just on that subject, let us see what happens in the banks. I went into my local bank about six months ago. It was the Commonwealth Bank at the corner of Pitt Street and Circular Quay, where my office is. It is not a bank I visit very often, but I have a separate account for my electorate allowance in this place and I had to pay some money into it. I went in, filled out the form and gave the $600 or $700 to the person behind the counter, which he cheerfully took. He stamped the form, took the money and put it in the draw. I said, ‘By the way, while I’m here, can I take some money out?’ because I was going off to meet someone for lunch. He said, ‘What do you want?’ I said, ‘$100.’ He said, ‘Do you realise that if you take $100 out it will cost you $2.50?’ I said, ‘Hang on a minute. You just took $600 of my money and you did not pay me for the privilege of taking it; why should I pay you for the privilege of taking some of it back?’ It was only a young person behind the counter, and he was dumbstruck. He did not know how to respond to that. In the end, I had to walk around the corner—

Senator Tierney—Why didn’t you hang on to some?

Senator GEORGE CAMPBELL—For your information, Senator Tierney, the reason I did not hold on to it was that it happened to be a cheque. I have not yet devised a way of taking a portion out of a cheque and putting that in my pocket and the rest in the bank. If you have had that experience, you can show me afterwards and I will cheerfully do it that way in future. I had to go out of the bank and around the corner to an ATM to access the money I had just put into the bank. What a ridiculous situation! They are the sorts of penalties that are being applied to people consistently by the banking system, which is now primarily there to serve the interests of major corporate clients rather than the ordinary community. It is about time banks were actually forced to meet some social obligations and to see that they are there to provide a community service as well as make profits for their shareholders.

The rot really set in with respect to the banking situation after financial deregulation in the early 1980s, when, it has to be said, the banks colluded and took advantage of the new regulatory structure. Financial deregulation was implemented to make our banking system more competitive and cost effective. Deregulation was supposed to give banks greater scope to compete for deposits and loans on the basis of interest rates. It meant that the banks’ net interest rate spread should have begun to contract. Throughout the 1980s and into the 1990s, the banks showed an extreme reluctance to pass on the competition gains from the reduction in the interest rate spread. Indeed, interest rate spreads actually went the other way over that period. In fact, it was not until we had the introduction of non-banking mortgage originators in the early 1990s, which flowed out of financial deregulation, that the banks were forced to bring down their mortgage rates, particularly for home loans.

The interest rate of 7½ per cent now being charged by the banks for mortgage loans has nothing to do with what this government has done to the economy but has everything to do with the fact that non-banking lenders entered the marketplace in the early 1990s. Non-bank lenders—like Aussie Home Loans, RAMS, Wizard, National Mutual and a range of others—were charging interest rates at that period of three and four per cent below the lowest rate being charged by the banks. What made the banks bring their interest rates down? There was a movement en masse of borrowers away from the banks to the non-banking mortgage originators. It happened long before the coalition government came to power in 1996. So do not sit there claiming that you have been responsible either in part or in total for the current interest rates that are being charged on home loans, because you had absolutely nothing to do with it. It was a direct result of what occurred after the freeing up of the financial markets arising out of deregulation in the eighties.

There is no doubt that the banks have utilised that situation to try and maximise
what has been available and what has operated to their advantage. Let us have a look at what has been happening with bank fees and charges. Haven’t they done very well out of it? In 1991, for example, there was no charge on account servicing fees. In 1995, it suddenly jumped to $2 and in 1999 it jumped to $4. If you went to your own bank or ATM in 1991, the transaction fee was 30c, in 1995 it was 40c and in 1999 it was 60c. If you went to another bank’s ATM, it was 30c, 40c and then $1.30. It was the same with EFTPOS, cheques and counter withdrawals. The number of free transactions has reduced from 11 in 1991 to eight in 1999.

The only available data on this material is up to 1999. Since then, fees have increased further. For instance, Westpac increased fees on over-the-counter transactions in 2000 to $2.50, while cheques reached $1. So throughout the 1990s the average fee charge has increased, the minimum balance in an account required to get fee exemption has increased and the average number of fee free transactions has fallen. Now we are finding out that banks are being rightly investigated by the ACCC for charging hidden fees on credit cards to merchants. The merchants then pass the fees on to the consumer. So you cannot even get around the bank fees by using your credit card.

The problem with this fee structure is that it penalises low income people. While the banks have now addressed this issue for pensioners and social security recipients, basic banking accounts need to be extended to all Australians. There needs to be a no-frills account offering minimal fee banking. Labor’s social charter would require banks to disclose all of their ATM and credit card fees—and they should do it at the time of the transaction. There must be better disclosure on all fees and the publication of readily comparable fees and interest rate products. They would also be required to implement a no-frills product.

Let us turn to the issue of bank branch closures, as that is one of the real problems that our community faces, particularly in rural and regional Australia.

Senator Tierney—Six hundred closed under your government. You did nothing about it.

Senator GEORGE CAMPBELL—I will deal with some of your issues, Senator Tierney, and you will have every opportunity to get up after me and explain why the banks have been so good. The reality is that bank branches have been closing all over the place. From 1990 to 2000 there has been a 27 per cent reduction in branches.

Senator Tierney—Including under your government. Nothing is new.

Senator GEORGE CAMPBELL—You just listen, Senator Tierney. In 1990, the number of bank branches in this country was 6,921. In 1995, it was 6,555. By the year 2000, over the period of your government, it has reduced to 5,003—a 27 per cent reduction. For those in rural and regional communities, the story is not as good. There has been a 31 per cent reduction in branches in the metropolitan areas, but in regional and rural areas there has been a 19 per cent reduction. But the impact on regional and rural areas has been much worse than that in the metropolitan areas, simply because there is a greater reliance in isolated communities on proper banking services. In many communities where the banks have closed, it becomes a security issue of the transfer of the cash that they have taken into those communities, and the storage of that cash—apart from having access to those services.

It is true that, if you are a farmer out in rural and regional Australia, you can still get access to banking services and you can still get access to bank loans. But can you get access to a banker who actually understands the problems of your community, who actually understands the problems that farmers in regional and rural Australia have to confront, who actually understands the businesses that they are dealing with and who has the corporate knowledge that those banking managers in those rural communities had built up over a long period of time? No, you cannot. You do not know who will come to try and service your claims, demands or requests for loans from the bank.
In many instances, people are turning up to deal with these requests from farmers, or farmers are coming into the city to put their requests forward, and these people have absolutely no idea or concept of the requirements of a farmer, the way in which a farm operates in our community or the way in which they have to deal in the financial world. That is a major problem for regional and rural Australia.

It is not a question of just the bank closures themselves and the reductions of services in many of those areas; it is a question of the number of jobs and job opportunities that are being taken out of regional and rural Australia. There have been thousands of jobs lost. In fact, something like 40,000 jobs have been lost in the last decade in the banking industry, many of which would have been for young people leaving school, just trying to enter the work force or looking for job opportunities in order to be able to get into the work force. They are now being denied to them as a result of the restructuring that has taken place within the banking sector. Don’t forget that it is not that long ago that the banking and finance sector was a major employer of young people leaving school at Year 12. That has gradually reduced. Job opportunities, as well as a reduction in services in many of those communities, is another major impact of the way in which the banks have been doing business.

But what have the coalition done to address this issue? At the 1998 election, they promised to implement 500 regional transaction centres within five years, funded from the partial sale of Telstra. That was a commitment that the coalition government made: 500 regional transaction centres within five years. Isn’t it interesting? We have heard Senator Ian Macdonald, the Minister for Regional Services, Territories and Local Government, during question time after question time, answering dorothy dixers from his coalition colleagues, saying how wonderful the rural transaction centre policy is and how well it is being implemented, telling the *Weekly Times* that the government’s policy is ‘silly in the extreme’.

This government has spent only $7.6 million on the program when $70 million was allocated. Only 19 rural transaction centres have been implemented, despite a promise of $70 million in the budget papers at that time. Despite all of the rhetoric from the other side, the government’s rural transaction centre policy is an absolute failure. That does not come out of our mouths; that comes out of the mouth of the minister responsible for implementing the policy. The Labor Party does have a policy for dealing with the banks; it does have a policy in place to provide proper banking services to the community. We are not about standing up like you on the other side and being apologists for the rip-off that the banks are conducting; we are not apologists for your incapacity to deal with usurers in our community who are above providing proper services for ordinary Australians. *(Time expired)*

Senator TIERNEY (New South Wales) (4.32 p.m.)—I also rise to speak on this matter of Labor’s so-called social charter. It is interesting to look at the ALP’s history on banking. This group over here have form: they were in government for 13 years and their record on banking policy is absolutely appalling. Senator George Campbell made the claim that the low interest rates today are a result of the way in which they deregulated the market in 1983.

Senator George Campbell—I said mortgage interest rates, Senator Tierney.

Senator TIERNEY—I accept that—mortgage interest rates were a result of your policy. If that is the case, Senator Campbell, the mortgage interest rates of up to 17 per cent in 1987-88, when you were in government, must have been a result of that policy as well. You cannot have it both ways. Senator Campbell is a bit of a technological luddite on this matter because he talks about bank closures with total disregard for the massive changes in banking technology over
changes in banking technology over the last 15 years. It is interesting to look at things like EFTPOS terminals and automatic teller machines, which came in during the 1970s and the 1980s. In the 1990s and in this new decade we have things like BPAY and Internet banking.

If you had mentioned those terms to people 20 years ago, they would not have had a clue what you were talking about. The reason they would not is that the technology did not exist at the time. There were massive changes in technology during that time. There were massive increases in access points for getting money. When I was a boy, we used to go to the banks to get money. Quite often now you use EFTPOS to buy goods at the supermarket and at the same time you get some money out. In other words, all the check-out people right around Australia are acting as bank tellers as well. What an incredible increase in points of access! If you go to your service station it is exactly the same, and you can go to automatic teller machines, which are all around the place. We have a change in technology and that is one of the reasons why the whole structure of banking is changing.

Senator Campbell criticised bank closures, failing to mention that, because of all this technological change, in the last years of the Labor government 600 branches closed. Of course they did—because of this change in technology, which is ongoing. But a whole range of other options has opened up to people. The increasing number of people with access to the Internet, which is up to 40 per cent of the population now, and rising rapidly, means that, as a result of this change in technology, we certainly have many more access points.

Let us also look back at some of Labor’s form during their time in government. We have only to look at the way in which they wrecked several banks over that time—and I am talking about the Labor administrations in Victoria and South Australia. The State Bank of Victoria and the State Bank of South Australia got into terrible trouble under Labor administrations. The Commonwealth Bank did not have the opportunity to get into trouble under a Labor administration, because they sold that off, having gone to several elections with hand on hearts and saying, ‘No, we’ll never sell the Commonwealth Bank,’ but that is what they did in the end.

Senator Campbell made a lot of rural transaction centres. Let us look back at Labor’s record on putting extra banking facilities into rural and regional Australia. What did they do during their time in government? Senator Mackay is speaking next, and she may be able to get up and say which centres they set up. What did you do out in rural and regional Australia? You did zero; you did zip; you did nothing.

Senator Mackay—Did you say ‘zit’?

Senator TIERNEY—No, I said ‘zip’.

Thank you, Senator.

Senator Mackay—You said ‘zit’.

The ACTING DEPUTY PRESIDENT (Senator Chapman)—Order! Senator Mackay, you know that interjections are disorderly.

Senator TIERNEY—Under Labor, we had a total policy free zone on banking in country areas—absolutely nothing was done—and they have the hide to come in here and criticise this government in that regard. They claim that with this so-called social charter they have a policy. We all sat up and took notice when we heard that they had a policy on banking because—heavens!—the Labor Party are releasing a policy at last. The timing was interesting. They said they were going to come out with this policy in April and May. Surprise, surprise! They were early. Why did they come out early? Because the Australian Bankers Association were coming out with their policy. Let us have a look at the two policies. On one side, we have a Labor policy and, on the other side, we have the Australian Bankers Association policy. What is the difference? Nothing—Labor’s is an exact copy; it is plagiarism. You have stolen the Australian Bankers Association policy.

Senator Mackay interjecting—

Senator TIERNEY—Senator Mackay. I had a student like you people a few decades ago when I started lecturing. I had a first-year student who put in an assignment and I thought, ‘That is an absolutely brilliant as-
assignment—for a 19-year-old to write this is absolutely incredible.' I look down the bibliography and there was an article that I thought, 'I bet it’s that one.' I went to the library, pulled out the article and there it was—word for word. The student had directly copied for the assignment an article that a top academic in the United States had written. I gave that student one out of 20 for correct copying: it had been copied out correctly—all the words were right. We give the Labor Party one out of 20 today for their social charter policy, because they have stolen it directly from the Australian Bankers Association.

However, they did come up with something new: the policy of reopening banks. This is going to cost $20 million, according to Labor, so they have made a financial commitment. Oh, but have they? Who is actually going to pay for this? If you look at a very fine print, when we actually get to that, it will probably be the customers who will pay for this. So this is the sum of their social charter: a stolen policy, plus a little bit of add-on, which perhaps Senator Conroy thought up and it is probably not really workable. This is a total Clayton’s policy from the Labor Party. But let’s have a look at some of the other things in the social charter.

Senator Mackay—What’s your policy?

Senator TIERNEY—I will go into that, Senator. What this government has is policy in action—it is actually doing these things—and Senator Mackay is anxious for me to go through it. There is plenty of time. I will do it, Senator, but I am talking about your social charter at the moment and I want to concentrate on a few points in your social charter that you have stolen—plagiarised—from the ABA. The policy talks about a basic account for the disadvantaged and improved access for the disabled. They are laudable policies, stolen directly from the Australian Bankers Association announcement on Monday, 26 March. That is pretty recent, isn’t it? That is last Monday. The ABA has now acknowledged their relationship with the community to be a two-way street. The ABA announced that, as part of the Viney review of the banking industry code of conduct, it will include in the revised code a commitment to provide free banking to holders of welfare cards—and that is five million customers. Well, that has shown up in the Labor Party policy, so it is obviously a direct steal.

The Labor people had very recent interest in this Viney review. They have stolen it as their policy. They must have liked how it read, because it was obviously the first time they knew anything about it. The Viney committee had called for submissions for some time. The government actually put in two submissions. How many submissions did the Labor Party put in to that committee, Senator Mackay? She says nothing, so that is the answer: nothing, zero. You did not put any submissions in at all. You are a policy free zone. You just steal other people’s policies.

The policy talks of a levy on banks to restore banking services, which I have already touched on. Then it moves on to have a proposed stronger mechanism for banking dispute resolution. Here we have more plagiarism—one out of 20 again. This is a recommendation of the Viney review of banking. It includes raising the limit for access to the Australian Banking Industry Ombudsman and opening the ABIO up to small business. So that is just a bit more policy theft, stolen directly from the Viney report. And that is the policy of the Labor Party. We do not see anything for rural and regional Australia in it. Senator George Campbell mentioned that they have a visionary policy. I do not really see much vision in that, particularly when it is stolen. I do not see that it is going to do very much for the customers and people who are associated with banks in our country.

I want to make a comment on the little story Senator Campbell told about going to the bank and having to pay a charge. There is always an alternative. You do not have to do that sort of thing. There are other financial institutions in this country as part of the competitive framework that this government has set up. We have new banks that have opened.

Senator McLucas—Not in the bush.

Senator TIERNEY—Thank you for that, Senator. The Bendigo Bank has opened in rural and regional Australia. People have
those alternatives. They also have the alternatives of the credit unions and building societies that are right around Australia and have been for some time. I decided a year or so ago to move to the Maitland Permanent Building Society. It has three branches and is a great institution. I would not have had the problem that Senator Campbell had because they would not charge a fee for that; they hardly charge any fees at all. People have the option in our financial system to go to building societies and credit unions if they do not like banking with banks. It is a free society. You can move around and look for cheaper charges. I would encourage people to do that if they are not satisfied with the services they already have. Under this government we are developing wider choice and mechanisms for people to have wider choice.

Under Labor we had very little regard and control of what was happening. They are being very critical of what we have done. They have come up, they say, with a new policy. The policy is a direct steal from the ABA. Labor do not have an original thought. It is another example of this Labor Party, which hopes to be the next government, being a policy free zone in this area and not coming up with an original idea. The voters should put the Labor Party under very careful scrutiny because if they have to plagiarise policies from industry associations they have not got an original idea in their heads and they do not deserve to be the government of this country.

Senator MACKAY (Tasmania) (4.45 p.m.)—I was going to congratulate Senator Tierney for going the full 20 minutes, unlike his colleague Senator Eggleston, but here again the government have failed to cover the allotted time in relation to this debate, so little do they have to say. However, we on this side are amply prepared to cover the allotted time and will do so. I will not be congratulating Senator Tierney on speaking for 20 minutes, because he did not.

Since Labor threw down what is a policy gauntlet on banking last Monday and challenged the government to respond to a constructive policy, what have we heard from the government on this matter? We have heard the same noise that we have been hearing in this chamber for months: the unchanging, annoying, repetitive, hollow, bleating, whining white noise that has been driving voters away from the government to Labor in Western Australia, Queensland and Ryan and all over Australia.

Part of this white noise is the government’s three word mantra, which attempts to conceal its abandoning of Australians—particularly regional Australians—when it comes to arresting the rapid decline of banking services. When it comes to regional banking, the mantra is ‘rural transaction centres’, the government’s fabled cure-all. I noticed that Senator Tierney indicated that he was going to get to the government’s regional banking policy at some stage but he never did. I also noticed that Senator Tierney failed to mention the fabled mantra of rural transaction centres and failed to explain why there are only 19 rural transaction centres. If I were in a government that had only 19 rural transaction centres, I would be pretty embarrassed and I would not want to talk about it too much either.

The rural transaction centres are constantly touted by this government as a solution to the banking difficulties. Whilst this has been going on, the banks have been free to close 1,500 branches across the country, including 318 in regional Australia. But I am a pretty open-minded sort of person. If the government wants to try and convert me to the rural transaction centre cult, by all means let us look at it more closely—as I have done in this chamber and in estimates after estimates.

Rural transaction centres were part of the coalition’s 1998 election promises and have of course joined the long list of non-core promise, better known as broken promises. RTCs are designed to provide small regional communities with a basic range of services—personal banking, postal services, phone, fax and Medicare Easyclaim. That is a pretty noble cause, I would have to say, but an approach that highlights the coalition’s attitude to regional banking. This approach is not stopping branch closures in regional Australia; it is allowing branch closures to continue—going with the market in a laissez-faire way—with a promise of a potential
RTC bandaid here and there to stop the haemorrhaging.

Labor’s 1998 election campaign commitment was to hold the banks to their social responsibilities, and it is this 1998 election commitment that is the foundation of the banking policy that was released on Monday. It is a policy that has far ranging benefits to restore services to regional Australia. That we have been supporting this kind of policy for years makes it unsupportable for this government and senators opposite to claim that our policy somehow follows the ABA’s policy. To continue the academic theme of Senator Tierney, if Minister Hockey and Senator Macdonald and the rest of this sorry clan were university students, they would get zero out of 20 because of intellectual dishonesty and laziness. It is, however, true to say that the banks are now making an attempt to adopt something of our policy. The banks are, however, very keen to preserve their $9 billion profit and are not yet prepared to go far enough as far as the Labor Party is concerned.

Look to the coalition’s history in its first two years of government before it made the now infamous rural transaction centre commitment, for it is empirically a history of betrayal. The coalition promised, before the 1996 election, that in government it would:

... work with regions ... create wealth and employment for the benefit of regional communities.

That is from Regional development: recharging our regions, a February 1996 coalition policy. Once in government, this became a non-core promise—a broken promise—and in July 1996 the then Minister for Transport and Regional Development said, in relation to regional development:

... there is no clear rationale or constitutional basis for Commonwealth involvement.

This sums up perfectly the total lack of commitment the Howard government has to regional Australia. The Howard government has inflicted cut after cut on regional Australia. Prior to the 1996 election, the coalition—and I again quote from the coalition document—promised:

A Liberal and National Government will ... hold cabinet meetings regularly in regional Australia.

How many times has cabinet met in regional Australia? Senator McGauran, do you know how many times cabinet has met in regional Australia since 1996? He does not know. Cabinet have met three times in five years: not even once a year has the cabinet met in regional Australia, despite the commitment from the government.

So it is no surprise that, in the first two years in office when they were at their arrogant best, the government stood by and watched as many towns in regional Australia lost their first banks. They failed to introduce any real initiatives to address the issue. They claimed to throw just $2.7 million at the problem through Creditcare. Does anybody know who introduced Creditcare? It was the Labor Party. But this government assisted only 40 new services in rural towns that lost their banks.

It is no wonder that they promised these rural transaction centres in a fit of panic, as regional Australians were all too aware that they had been conned by the government in 1996. The government thought to themselves, ‘They bought it the first time; let’s try it again. Let’s sell the second tranche of Telstra, and we will tell regional Australians that we will put $70 million into 500 RTCs by 2003.’ As Senator Ian Campbell has amply demonstrated so far, this quickly became another non-core promise, a broken promise. I repeat what Senator Campbell said: Senator Macdonald openly admitted this month in the Weekly Times that his election promise—the government’s promise, but also specifically this minister’s promise—for 500 rural transaction centres by 2003 was ‘silly in the extreme’. His excuse is that RTCs depend on communities driving the program. In reality, of course, the government have left regional communities floundering. I am now going to show how extremely silly the regional services minister in fact is, rather than the program—the only program that this minister has responsibility for.

Let us go through RTCs. Most of this information has emerged from fairly tortuous estimates hearings. Firstly, only $2.96 million was spent of the $8.1 million allocate last financial year. Secondly, only $7.6 million has been spent so far of the $70 million
allocated, despite being two years into the five-year program. Almost $6 million has now been earmarked for a network of 15 field officers to promote rural transaction centres and other government programs—very expensive damage control. That $6 million is coming out of the $70 million, which will help the government ramp up their figures in terms of the amount of money they have spent. I suppose we can be grateful for 15 new jobs in regional Australia, but that is about all.

There are just 19 operational rural transaction centres today, as we speak, despite the 1999-2000 budget statement promising 70 rural transaction centres by 30 June 2000. So we have 19 RTCs established in the government’s second term, and they have claimed to have assisted 40 new services in their first term, albeit under an ALP initiative. Let me see—that is 59 new services, although, staggeringly, not all rural transaction services offer, or are required to offer, banking services, and several of them do not. But let us be charitable; let us say that there are 59 new services, but that still does not even come within spitting distance of the 146 regional bank branches closed in the first half of 1999 alone. Because there is no banking policy under this government, 318 branches have been lost to regional Australia and 1,505 branches have been lost across Australia. That is right: the government have no banking policy, let alone a regional banking policy. They have a rural transaction centre policy, its performance characterised by an underweight display of underspending and underperformance.

So, well done to the minister for regional services, who has one program to look after—rural transaction centres—and two years into the five-year program we have only 19 of them. I suspect that we will see a whole lot more of these, because it is extremely obvious to anybody what this government is doing. This government is stockpiling rural transaction centre announcements so that there will be a big blitz closer to the election when the government will be able to say, ‘We do not know what you are talking about. We have, say, 50, 60, 70, 100 or 150 rural transaction centres.’ I am here to tell the government that nobody in regional Australia is going to buy that, but that is obviously what is going to happen. That is why it has employed the field officers. I suspect that, all of a sudden, these rural transaction field officers—and this may be announced in the budget—will become field officers for all government programs in terms of the promotion of government programs after the budget and, I suspect, will also play a major hand in promoting any budget initiatives that are released in the budget. So let us come clean about what this initiative in fact is—even blind Freddy could work this one out.

Senator Macdonald claimed in a media release on Tuesday that the banks are being ‘led by the federal government’. He also said that he would ‘continue to pursue a carrot and stick approach to banks’. ‘Continue to pursue a carrot and stick approach to banks’—this minister and this government have not even started. By Senator Macdonald’s own admission during estimates last November, he only meets with the banks—and I quote from the Hansard—‘semiregularly, mainly in connection with the Rural Transaction Centres Program’. That is the program that has given us 19 new RTCs, while the government’s non-policy has cost 318 regional bank branches. I see the minister has been pursuing a carrot and stick approach, except the banks have been holding the stick and beating Senator Macdonald over the head with it, while having their carrot and eating it too!

This betrayal of regional Australians on banks has been compounded by the government’s sweetening of the Telstra 2 sale with promises like rural transaction centres. The government has been totally unable to deliver on Telstra 2 funding—and not just in relation to rural transaction centres. I know that the National Party are very concerned that the T2 funding has not been fully expended and that they want that money expended before they will consider agreeing to the final full privatisation of Telstra. Both the National Party and the National Farmers Federation have expressed concern in relation to the lack of spending of the T2 funds. Again, I suspect that that is being stockpiled as well so that the government can con peo-
ple in regional Australia into thinking that it has been doing something for the last five years. I do not think that people will buy that either. It is pretty rich that this government is trying to buy off regional Australia on Telstra 3, when it cannot even deliver on Telstra 2.

Labor is not opposed to the Rural Transaction Centres Program. Regional Australia needs the services it is supposed to provide. We would just like them out a bit more quickly, thank you very much, and we would like a bit more than 19 RTCs. But we did oppose the T2, the second tranche sale of Telstra which funded the program, and we asked—and we have continued to ask this and we will ask again—why did the government block Australia Post’s tender for the provision of the Rural Transaction Centres Program? Why did the government block it?

It is now clear that this happened because Mr McGauran, very embarrassedly showing just how much the coalition care about regional services, was forced to withdraw from the House of Representatives Notice Paper this morning the bill to deregulate Australia Post, the Postal Services Legislation Amendment Bill 2000. This was nothing but an absolute stunt, because no sooner had Mr McGauran gone into the House of Representatives and pulled the bill than Senator Alston, champion of regional Australia, was out there saying, ‘Well, hang on a sec. We still support the deregulation of Australia Post, we still support all the reforms, and we may in fact reintroduce the legislation in a different form prior to the election.’ This is what happens if you leave things to Senator Alston. Senator Alston has a bit of form on this issue, I have to say. I recall that the very day Mr Anderson was talking about the definite period in relation to the sale of Telstra, Senator Alston was saying at the other end of the country, ‘Yep, full steam ahead on the full privatisation.’ It would be good if the government managed to get its lines straight. Minister Anderson also refused to guarantee Australia Post was safe from deregulation today—of course, what we are talking about here is deregulation by stealth—despite the community outrage demonstrated by the petition of 43,000-odd signatures tabled in the chamber yesterday and another petition of 9,000 signatures tabled by Senator Bourne the day before. This is the never, ever school of deregulation. The Howard government’s plans to deregulate Australia Post are another potential nightmare for all Australians, particularly those in regional Australia.

Under a Labor government Australia Post will have an increased role in the future, not the diminished role that the Howard government is proposing. Deregulation is, I still assert, the first step in the privatisation of Australia Post. Australia Post has enormous capacity to provide a wide range of services through its extensive existing networks. It can provide postal, retail and financial services within a networked environment. However, Australia Post is facing a very bleak future as the government is still 100 per cent signed up to its deregulation, despite, as I said, a fairly panicked response from the government this morning in withdrawing the legislation.

Who do you think will bear the brunt of these costs? Regional Australia of course—again. Regional Australians have a right to be very concerned about the future of postal outlets if this deregulation goes through. We heard Senator McGauran, who is here today, lauding the deregulation of Australia Post yesterday in the chamber and saying in a fairly surprised manner—I was fairly surprised myself—that the deregulation was ‘a national competition policy actually working’. That would be a surprise, wouldn’t it, Senator McGauran? And Australians just do not believe it. If the government believe what Senator McGauran was saying, why was the legislation withdrawn? Why was the legislation withdrawn this morning, Senator McGauran? Here we have an example of NCP actually working. You were lauding the Australia Post bill, but this morning in the House of Representatives Mr McGauran runs in and withdraws the legislation.

Senator McGauran—that’s my brother; I can’t help that.

Senator MACKAY—Okay, familial considerations aside, which I appreciate, maybe you could have a chat to him next time you see him. It would be a bit embarrassing, I have to say. He was not looking after you
this morning when he did that. This is just another speed hump on the Liberal Party’s ideological road to getting rid of Australia Post. We are committed to Australia Post.

Labor has a solid policy on banking. The Howard government has simply been sitting on its hands. That is the extent of Mr Howard’s interest in involving the banks in any kind of dialogue on social obligation. If you want to know the motivation behind this activity, you need look no further than the front page of the *Australian* today, which lists the huge donations from the big end of town to the Liberal Party. From the nine companies listed from the big end of town, the coalition received 80 per cent more in donations than the Labor Party. I wonder what the coalition will do to repay that additional 80 per cent? The answer is that it will do nothing to protect Australians from declining services, because that would impose some social responsibility on our most profitable corporations—the banks that have pocketed $9 billion. Their donations to the Liberal Party are indeed a very good investment for them in the long term. We have recently seen an initiative by the Commonwealth Bank in relation to giroPost which saw giroPost jump by 50 per cent in terms of cost and so on.

I was going to talk a lot about Mr Peter Costello. Unfortunately I do not have time. I will leave his regional forays for another time—such as they are. But I will make a comment. I understand the Prime Minister will be in Dunkley tomorrow, shoring up yet another dodgy marginal seat. I suggest that the Prime Minister take the opportunity tomorrow when he is in Dunkley, out in regional Australia, to illuminate regional Australia and the people of regional Australia about the Liberal Party’s banking policy.

Senator McGauran (Victoria) (5.05 p.m.)—I am provoked to respond to Senator Mackay’s point about Australia Post, though I do not see how she tied it in with this debate. In response, I just happen to have a copy of my comments in the MPI yesterday, which Senator Mackay proposed. She has provoked me to respond in context. It is an old trick in this game to quote someone out of context, and that is exactly what Senator Mackay has done. She was up to her old tricks. It is a lengthy quote. I ask the Senate to bear with me until I get to the substance of general business today, but I must respond. This is, in context, what I said:

In fact, it is a very good example of the national competition policy and the public interest test actually working. Against the National Competition Council’s recommendation that Australia Post should be completely deregulated and face competition, this government has said that there are exceptions in the public interest. Australia Post is just one of those exceptions, along with the Wheat Board, the sugar industry, the rice industry, newsagencies and chemists.

This is yet another good example of a 100 per cent government owned utility working. It is working because an element of competition has been introduced into Australia Post, and that was started by the Labor Party with our support. That competition has transformed that old, lumbering post office where you could pick up a stamp if you stood in the queue long enough and post your letters. They were about the only two things the post office was good for. But with the introduction of an element of competition, and while still in government hands, Australia Post has been transformed into a shopfront that does more than sell stamps and post letters; it is in fact a fine utility.

As for the matter of general business today, unlike my colleagues who have spoken before me and, most of all, Senator Conroy, I cannot come to this debate with a straight face after the events of this week. As the Senate is well aware, the Labor Party released their banking policy this week, in fact on Monday. Today is Thursday. It is the first we have heard of their policy in the Senate this week—as Senator Mackay chooses to leave the chamber: after sitting here listening to her side, she will not listen to the facts as I put them down. I will send her a copy of my Hansard; I am sure she will be interested. As I was saying, the Senate is aware that the Labor Party put out their policy on Monday. You would have thought it would be a big occasion for a shadow minister hoping, I believe, to become minister for finance. You would think that that shadow minister with the carriage of a Labor Party policy, let alone his own policy, would treat it with some excitement. However, not only did he not announce his own policy—which is not par-
particularly unusual in itself; leaders tend to grab policy announcements—but he was not even present for the announcement. He had gone missing when Mr Beazley announced it.

In fact, Senator Conroy had gone missing all week. I have been waiting all week for Senator Conroy to come into this chamber so we could discuss and debate his so-called policy on banking. It has taken until the dying days of this week’s parliament for it to be raised. I suspect that in this morning’s tactics committee meeting they said, ‘Senator Conroy, you had better go into the chamber and face the music. We had better face up to this.’ He has finally been flushed out, and comments have been made today by Senator Conroy, truly with a straight face. He particularly must be an embarrassment to the other side: he has been caught out plagiarising. We know this because the Australian Bankers Association have told us—it is very obvious from their own documents—that they had a private briefing with Senator Conroy last week to brief him on their pending announcement of certain banking changes. Sure enough, Senator Conroy has picked it up. I give him credit for working over the weekend—that is something I can give Senator Conroy—so that he could rush out an announcement on Monday ahead of the Australian Bankers Association. It is pure plagiarism. He has completely stolen the Australian Bankers Association’s own policy. He is reflecting it. It is a mirror reflection of it, giving them no credit at all.

We know that the Labor Party policy in regard to special fee accounts is a mirror reflection of the Australian Bankers Association’s. It really does confirm that Senator Conroy is a lightweight. There must be worries on his side of the chamber, in that he is the alternative minister for finance. I say to you, Mr Acting Deputy President Sherry, that it must worry you greatly, because you do have a great interest in the area of finance and some knowledge in the area of finance. Superannuation and tax are things we hear you endlessly talking about, certain issues which have even got up on the agenda of late, I note, after monotonous and repetitive efforts by you in this chamber. So it must worry you that Senator Conroy is ahead of you in the queue as a possible finance minister, after this week’s utterly discredited and embarrassing performance.

For him to come in here today and spend half his speech—I timed it; it was half—convolutedly attacking his opponent, Mr Hockey, instead of getting down to the nuts and bolts of his own policy is a charade. It is a total fake. This week has exposed Senator Conroy. The policy that the Labor Party has run with this week is a total fake. If ever we needed to confirm how policy lazy the opposition is, we have seen it today. It is an embarrassment. We spent 13 years—13 cold years—in opposition, and so there is not much you can tell us about opposition. We know all the tricks and all the put-ons, like the pretence yesterday of selling off Australia Post. After 13 years we know the desperation you feel. But there is one thing in that 13 years when we were in opposition that you cannot accuse us of doing: we always had a plan, a policy, an alternative suggestion when we stood up and spoke, which was good.

It must be very difficult for the opposition to stand up and speak without an alternative plan and policy, and it must be even worse when you get one and it is exposed as nothing but a fake and confirms the public perception that in fact you really are policy lazy. It must be a worry for the backbench that their frontbench is just not going to perform on the day—because we are getting into real time now. You are only, at best, eight months out and, post Ryan, the spotlight is on you more. If your shadow ministers are going to perform like this, then it is going to be a real worry when you really do start unravelling and unrolling your policies, because it has been a shocker today. You are simply responding to everyone else’s agenda. You have now responded to the Australian Bankers Association’s agenda, and you have responded to this government’s agenda. You will just snap up everyone else’s policy.

Look at your new policy on surpluses—bigger surpluses than this government has, is your policy. You have spent the last five years of your government running up deficits, and suddenly you have converted to
surpluses—and not only surpluses equivalent to this government’s but bigger and better surpluses, as your shadow Treasurer would tell us. The GST is another policy of ours that you have snapped up. You spent years railing against it and, if you remember, back in 1993 you won an election on it. You have spent years railing against the GST, but now it is your policy. Work for the Dole: you held it up in this Senate, and now it is your policy. Private health insurance: you railed against it and held it up in this Senate; and now it is your policy.

There is not an original thought coming from the opposition on policy, as we go into real time for the election. The spotlight is on you now. You have considered yourselves as the frontrunners for government: the Senator Conroys are dreaming of taking up a front-bench position in this chamber, and yet this is their performance in one week? This is what they deliver? It is scary, Mr Acting Deputy President Sherry—for you, but not for us; we are actually quite encouraged. We have been encouraged by this week, if that is it: I do not know what other performances are to come. I do not know whether he is your weakest performer. We have always been led to believe that he is your best performer. So heaven knows, when Senator Bolkus comes to roll out a policy—not Senator Schacht; although I suppose he might roll one out before he rolls himself out—or Senator Mackay. If Senator Conroy is one of your best performers and has one of the highest portfolios, then the others are going to be mistake ridden, just like Senator Conroy. And that must be a worry for every-one of these backbenchers who are in the chamber at the moment, no less than for Senator Sherry. I think it is time to bring him back to the front bench; I really do. In fact I have seen all this before. Let me tell you that a lot of shadow ministers never become ministers. This is an old one: a lot of shadow ministers spend all of that hard work in opposition and, when it comes to the hard decision as to whether they actually have the ability to take up a frontbench seat, they do not get to—and it is sure looking like some of them are not going to, as we get into real time for the election. It has been a policy flop.

This government actually believes in the reforms that it has introduced. I know that you do not accept them. You have opposed every single one of them: education, budgetary reforms, the waterfront reforms and industrial relations. But at least the public know that we believe in them, that we believe in our future policies and that we have a vision for Australia. But you are so unconvincing that out there with the public a mantra has developed. We know that we are down in the polls; we know that we are probably the underdogs to win the next election. But I will tell you one thing: the mantra that has developed out there with the public is that you have no vision, you have no alternative policies. And this week has done you no favours at all—at least your shadow minister has done you no favours at all, given that plagiarism really is a definition of being utterly lazy. The truth of the matter is that your policies, other than directly reflecting—

Senator Schacht—We want to have the banks made responsible, under a charter backed by legislation, to deliver services.

The ACTING DEPUTY PRESIDENT
(Senator Sherry)—Order! Senator Schacht, I notice that you are next to speak.

Senator Schacht—I am just getting in early.

Senator McGauran—He is just collecting his thoughts, because that is Senator Schacht.

Senator Schacht interjecting—

The ACTING DEPUTY PRESIDENT—Order! Senator Schacht, you are not entitled to get in early. Please give Senator McGauran a go. He is speaking.

Senator Schacht—I am being helpful.

The ACTING DEPUTY PRESIDENT—Order! Senator Schacht.

Senator McGauran—Mr Acting Deputy President, through you: Senator Schacht has come in utterly unprepared for this debate, no doubt, and he is warming up, he is collecting his own thoughts. But I will tell you someone who did make a relatively spirited contribution, believe it or not—

Senator Ian Macdonald—Not Senator Mackay.
Senator McGauran—No, not Senator Mackay, Senator Macdonald. Her contribution was as flat as a tack, and she can only be thankful that we are not on broadcast. But there was a spirited performance by Senator George Campbell: full marks, full credit to Senator Campbell. It was the old-fashioned union bash on banks. I enjoyed it; I thoroughly enjoyed Senator Campbell’s attack on banks. But he is right.

Senator Schacht—Every family would enjoy it; every farmer would support it.

Senator McGauran—Yes, he is quite right. I hope he distributes his speech. Most of us agreed with what Senator Campbell said. But the error that he made was that he seemed to think he had some high moral ground. He seemed to think that this side has never attempted to discipline the banks or to introduce restrictions. We have beefed up the ACCC. We have the Reserve Bank on them right now, monitoring their fees. What is more, from the Prime Minister down, we have pulled the banks in with regard to social responsibility. Senator Campbell raised many points, which I particularly wish to agree with him on. As for the payment of chief executives, it is far too high, it seems outrageous and it does create a backlash within the community.

Senator Schacht—What are you going to do about it?

Senator McGauran—What would you suggest? What do you want to do? I think as long as it is openly reported and openly known, there is very little we can do, Senator Schacht.

Senator Schacht interjecting—

Senator McGauran—Well, you put down a policy.

The Acting Deputy President—Order! Please, just a moment, Senator McGauran. Senator Schacht, the debate is becoming too proactive across the chamber. Senator McGauran, please ignore the interjections. I would ask senators to my left to cease interjecting—particularly you, Senator Schacht; you are next up to speak.

Senator McGauran—Still on Senator Campbell’s contribution, he spoke of a traumatic experience he had down at the bank—as though we have not all had such experiences. He was taking someone out to lunch. I would love to know who it was. The mere fact that he was paying made it an interesting story. But he got charged a fee for putting money in and taking it out, or whatever. But the point is that we have all had that experience, we are all angered with the banks in regard to that and we have all had constituents come through our door about it. There is no high moral ground in regard to that. We all think that the banks have to lift their game. To some extent in their announcement this week in regard to the changes, they have lifted their game—and that is extremely encouraging. But thinking you can just legislate to make them lift their game is utterly incorrect.

Senator Hutchins—Nationalise it.

Senator McGauran—Senator Hutchins says that we should nationalise them. That is the old Chifley policy.

Senator Ian Macdonald—Is nationalisation their policy now?

Senator McGauran—You were not here when they actually sold the Commonwealth Bank, nor was Senator Campbell.

Senator Hutchins interjecting—

Senator McGauran—Can we put it down as your policy, Senator Hutchins, to nationalise the banks? Wouldn’t that be dramatic? My point about Senator Campbell’s address is that it was all so high and moral, as if he had just discovered the horror of the banks. He spoke about cash for comment—and, rightly so: cash for comment was wrong. But he is not the defender of the morals of the banks.

He probably does not read the Australian newspaper. As recently as 21 March, not so long ago, the front page said ‘Reserve Bank to pull banks into line’. This is because the government have given them—the ACCC and the Reserve Bank—the power to pull the banks into line, as the headline says. I would like to read out slabs from the Australian newspaper, to prove that the banks are not getting away with murder and that the government do not allow them to. We recognise that they have to have a social responsibility. One of the pleasing aspects of the banks’
announcement this week about the changes they are making is that they now, for the first time, accept they have a social responsibility. That has been a long time coming. That has come through pressure, through their clients, through society and through leadership in this government.

I will go back to the Australian article. It is in regard to credit cards and it reads:

... transaction fees will be slashed ... after authorities began an unprecedented intervention in the operations of the banks ...

It says consumers could also get access to new providers offering cheaper interest rates. That is pretty tough action against the banking community. It says that in September last year the ACCC alleged price fixing by the National Australia Bank over credit card transaction fees. Again, they have the power to investigate and to enforce penalties in that area. So the accusations in the addresses we have heard thus far that we have been inactive in our role in bringing the banks into line are rejected. Moreover, with regard to bank closures, I think both governments have suffered under bank closures and the frustration of bank closures. Every parliamentarian, particularly rural and regional parliamentarians, has had constituents come to them about the effects of bank closures. There has been very little we have been able to do to stem the tide.

Senator Schacht interjecting—

Senator McGauran—Both sides. We can point to over 500 closures in the last three years on your side of parliament, as you can from our side.

Senator Schacht—But we can do something about it.

Senator McGauran—Yes, there is something you can do about it, and that is to give alternatives and options, to introduce competition—which slows down bank closures—and to give the customer an alternative. In the time I have left I will read out the alternatives we have managed to stimulate within this sector. We have expanded the number of giropost outlets, which is a post office with banking facilities in that post office—a very useful service for the client. The community banking service undertaken by the Bank of Bendigo is another alternative service which has set up in towns where the main banks have shut down, and I can think of examples where the main banks have in fact returned when the community bank has set up. There have been new banks developed, like Elders. We began the bank like nature of credit unions, where they can now cash and deposit cheques.

Senator Ludwig—Where?

Senator McGauran—Where? I am down to my last second and I am going to take an interjection. (Time expired)

Senator Schacht (South Australia) (5.26 p.m.)—I was giving great assistance to Senator Conroy, the Labor Party shadow spokesman in the area of banking and finance and regulation. This is a very important debate in the Senate today, in the week in which the Labor Party have stated our very firm policy of what we expect the banks to do—and not just by request. If they do not accept their social obligations to the community of which they are a part, then we will legislate to make it a legally binding arrangement. We announced that earlier this week, and it happened to be on the same day that the banks suddenly discovered a community conscience. Up until early this week they had refused to acknowledge that they had any social obligations to the community. They did not believe they had any responsibility to help create a civilised society in Australia, a society where people work together and accept some obligations to work in the community.

Our opponents on the other side, the Liberal and National Party coalition, talk about mutual obligation for the unemployed, but they have never talked about the banks’ mutual obligation to the community. But this week, when we announce our binding charter—which we hope the banks will operate to without it having to be legally enforced, but if they do not we will legally enforce it—we were attacked. They attacked us, saying this was unnecessary regulation; that this was going backwards. If it was good enough for social welfare recipients who, through no
fault of their own, are unemployed to have to accept, under this government, some mutual obligation, then it is good enough for the banks to accept they have a mutual obligation as well—not only to their shareholders, not only to their depositors but also to the broader community. Until earlier this week, for more than two decades we had never got one word out of the banks that they had accepted some responsibility.

The position the banks find themselves in today in the Australian community is all of their own making. They cannot blame governments. They cannot blame the parliament. They cannot blame the community. They took a number of commercial decisions to maximise their profit to the advantage of their shareholders. We have seen the obscenity where senior staff at banks were offered share options through which, if the price of the company went up on the stock market, they would walk off with millions of dollars worth of advantage on those share options. That meant the senior management of these companies had an absolute incentive to reduce every area of service, even if that service was of advantage to the community, to maximise profit because it maximised their share options.

In the last 15 to 20 years, the banks have not exactly been brilliant on some of their investments and on some of their lending practices. I recommend to the Senate a book written by Trevor Sykes called The bold riders: behind Australia’s corporate collapses, which is a detailed account of all of the shenanigans that the Alan Bonds and others got up to during the 1980s. When you read through this, you find one of the underlying themes is the incompetence—that is the only way to describe it—of the banks in how they lent these characters money.

One of the most astonishing examples is when young Warwick Fairfax decided to buy out and privatise his public company, Fairfax. He made a bid to buy out all the other shareholders—many of them his own relatives—and I think the price was about $1¾ billion. The money was overwhelmingly lent to him by the ANZ Bank. That is on the public record. We find that no one at the ANZ Bank at any senior level thought it necessary to even meet young Warwick Fairfax once to discuss a loan of over $1.5 billion.

This is what the banks wanted; they wanted deregulation. The then opposition, now the government, cheered them on, as they supported the big end of town. Anyone would know that, as far as banking practice is concerned—irrespective of what the government were doing or even the then opposition were saying—it would have been not unreasonable on due diligence for the senior executives of the ANZ Bank to have said, ‘We better met this young Warwick Fairfax to see what he is like and to find out what his proposals are for when he gets control of the company.’ They gave him the money. He then bought the other shareholders out, took control of the company and, within a couple of years, lost control—and the banks lost money. These are banking practices under the guise of deregulation which the then opposition, now the government, were very enthusiastic about.

This was a worldwide trend, and there are many other examples. At the same time one of the great tragedies was that various state and regional banks owned by state governments also fell for this pea and thimble trick, including, most disastrously, in my own home state—and I have to admit under a Labor government—where the State Bank of South Australia decided to become more than a regional bank. It ended up making extraordinary loans to a range of companies and organisations that were not even in South Australia. One of the most notorious ones was that it lent $25 million to the National Safety Council of Victoria, three weeks before the council went bankrupt and lost $120 million. They were the practices at the time. There can be broad criticism that the due diligence and the prudential coverage of the activities and the way the banks operated were not appropriate.

When I became small business minister in 1993, one thing that was clear to me was that, in order for the banks to recover some of those losses they made by lending money to the big end of town, they put the squeeze on ordinary depositors—ordinary people who had accounts and who were borrow-
ing—and in particular on the cash flow of small business. During the three years I was small business minister, I used to get at least several frantic phone calls a week from small businesses around Australia, from people nearly in tears—and sometimes actually in tears—explaining that the bank was foreclosing; the bank was shutting them down. On a number of occasions I was able to speak to banks and the result was that sometimes some relief was given and at other times it was not. It is not the perfect way to run a banking system, relying on a member of parliament or even a minister to ring up and try to rectify the problem.

All this established a feeling in the community that the banks were out of kilter with the needs of the community. What we have now done in opposition is to say, ‘Elect us. There will be a charter of social responsibility on the banks, and it will be binding.’ This will mean legislation. When we are in government after the next election and we put the legislation through on this issue, it will be interesting to see whether what is now the government—the coalition, who will then be the opposition—will be willing to support this modest regulation.

We have heard Senator McGauran from the National Party, trying to jump through hoops and doing convoluted twists and somersaults, explaining how terrible our proposal is, knowing that his own constituency in the bush reckons this is a wonderful idea and that we all should have regulated the banks years ago. He knows that if he went out and criticised our policy in this area—as the Prime Minister is, as Minister Hockey is and as the Treasurer is—most of his own supporters, that dwindling band of hardy National Party supporters that is getting smaller all the time, would say, ‘This is one of the reasons we are thinking of not supporting the National Party anymore: we think there should be some regulation on the banks, some social responsibility placed on the banks.’

Senator Conroy, the shadow minister in this area, has done an excellent job of putting together what is going to be in the charter. I want to quote what Labor states in the policy paper:

Labor wants the Social Charter with the banks to include the following items...

None of this is revolutionary, I must say. None of this is in any way unacceptable to the general population. The first item says:

- a basic bank account which enables fee-free banking for social security recipients...

Does the government oppose that? The next point states:
- a “no-frills” bank account offering minimal-fee banking for all Australians...

Does the government oppose that? Next it states:
- full disclosure of ATM fees at the time of transaction...

Does the government oppose that? The next dot point reads:
- truth in lending provisions, including the publication of readily comparable interest rates across lending products...

Does the government oppose that? The next one is:
- measures to address social exclusion from credit, in particular, expanding No Interest Loan Schemes...

Does the government oppose that? Do the Prime Minister, the Treasurer or Minister Hockey oppose that? Then it goes on:
- measures to improve services to ethnic groups; measures to improve services to disabled Australians...

Does anyone oppose that in the government? The next point is:
- a commitment from the banks with regard to levels of future fee increases...

Does anyone in the government oppose that? Next we have:
- the provision of detailed fee information on bank statements...

Surely no-one in the government is going to oppose that. Then there is:
- measures to address the digital divide and access to online banking services...

Surely not even Senator Alston, the minister responsible for information technology and the Internet, could oppose that. This is followed by:
- measures to improve security at ATMs...
Some members of the government keep talking about law and order. Surely to goodness they would not be opposed to improving security at ATMs. I go on:

... greater accessibility of affordable deposit-taking services for small businesses ... 

I would have to say that, if this is the government that says, ‘We are a part of and always have been supportive of small business,’ it could not oppose that. Next there is:

... an education plan to improve customers’ understanding of financial services, in particular the responsible use of credit, minimising fees and charges and understanding complaint resolution mechanisms ...

I cannot see any reason why any sensible person, even in this government, would oppose that. Then we have:

... restoring banking services to communities which have lost them ...

We had Senator McGauran going on about how terrible it is. He pointed out that there were bank closures when we were in office. That has been speeded up greatly since this coalition has been in office. Despite the angst that Senator McGauran talks about here, they have done nothing to reverse it. It has got worse. Finally, there is:

... a protocol covering branch closures ...

Again, this is a process whereby banks have to publicly give the reasons why they are closing banks in communities and suburbs around Australia. Does anyone in the government oppose that?

I have heard government ministers saying that this is terrible re-regulation. There is not one of those dot points in this extensive new charter that any sensible person in Australia could argue against. What we have done is say to the banks, ‘Either you adopt this or we will legislate to make it legally binding.’ Can anyone say that this is an unnecessary imposition on the banks? Of course, they cannot. If it makes our civilised society even better, we will all cheer that this has been an enhancement. We have agreed to develop the social charter in consultation with the banking industry, with consumers, with pension and allowance recipients and with community group representatives, in particular in rural and regional Australia. Can anyone object to that consultation? We will make it clear that, if the banks object to what we are doing in this area as we have outlined it, we will do it anyway. But we want, as far as we can, to do it with their cooperation so that the legislation will not be necessary. Unless you say to these banks these days that something is legally binding, it will not happen.

There have been calls from the community now for over a decade for banking reform and for the banks to accept some social responsibility. What has been the response of the banks to this? When they were getting themselves a fair kicking on talkback radio around the place, they did not go up-front and say, ‘Let’s talk to the community about how we can overcome this problem.’ Their attitude was: tip a couple of million dollars into the Australian Bankers’ Association. Tell their official to go round to certain broadcasters in Australia and pay them not to make nasty comments about the banks—the so-called cash for comment. It is well known that John Laws and Alan Jones had big hearings before the ABA. Those hearings found them guilty of, to say the least, poor practices.

The Labor Party has already adopted in its national platform a policy the same as that in America: that no broadcaster, announcer or commentator can accept any form of cash for comment, full stop—not even a hearing about it. You just cannot do it. No matter what the circumstances, it is against the law in America. We have said in our platform from our national conference last year that we will adopt the same policy. We will make it illegal. The big advantage of that is that good managers of radio stations and television stations will tell all the people they hire, ‘There are no sleazy deals behind the door and there are no sleazy brown paper bags of money passed to you. You cannot do it because, as soon as you do it, you are found guilty, you are off air, and the station loses its licence.’ That will stop cash for comment—the most unethical arrangement that has occurred in commercial broadcasting in living memory.

The banks paid millions of dollars to those two broadcasters to get them to make favourable comments. We saw the absurdity of
how this was done. People would ring up, supposedly from somewhere else, and were not being properly identified as having been asked to ring up and make a comment to the broadcaster, who then would say, ‘That is a nice comment. Yes, the banks look like they are doing a good job here or are responding.’ There was no declaration that this was a paid-for comment from someone at an income level beyond the imagination or the wildest dreams of average Australians. These people were being paid millions of dollars.

When this became public we saw a really embarrassed Bankers’ Association. But did we see any public statements collectively from the major banks of Australia who funded this apologising to the public for a complete breach of public ethics and morality and admitted it was a scam? There were a few bumbling comments from some senior bank officials saying, ‘Perhaps it was not a wise idea and we should not have done it this way, but it seemed a reasonable idea at the time.’ Again, we had an example of this banking industry thinking it was above the ethics and the morality of the Australian community, irrespective of what the law said. Anybody who thought for two seconds about what the banks did with cash for comment would say it was unethical. You do not need to have a training in ethics or philosophy or morality to say it was a rort. It went on for a couple of years. It was only when they were sprung by somebody else that they apologised and restructured the Australian Bankers’ Association and said they would never do it again.

Those are the sorts of things that have led to a reduction in the public acceptance and trust of banks in Australia. It is extremely unfortunate that this has happened to the banking system. It has led to a cynicism in the Australian community that has affected us all. We all know that at times there have been breaches by some individuals in this parliament and in other parliaments that have led to cynicism about public life. Certainly the cash for comment banking episode exacerbated that as well. Forty years ago, banks had a standing in the local community. Bank staff and the local district bank manager had a standing, a gravitas, in the local community. That no longer exists. Part of the reason is that banks have destroyed their own institutional advantage and history by making bank staff in rural and regional areas redundant. By sacking them, they have gutted their own banks and their own ability to deal with the community. As a result, they have brought it on themselves. The Labor Party has put forward a well-thought-out set of proposals that will be effective. (Time expired)

Senator COONAN (New South Wales) (5.46 p.m.)—I have been sitting here listening to Senator Schacht’s contribution with a measure of disbelief as he has piously recited the sins of the banks in the 1980s and the early 1990s. It simply strains the bounds of credibility. The people of Australia should judge the Labor Party not by what they say but by what they do. It has given me the opportunity to make a few notes and search my memory for some of the so-called sins of the 1980s—the well-known ones.

The people of Australia will not forget that, when the Labor Party was on corporate governance watch, Alan Bond took hundreds of millions of dollars from shareholders of the Bond Corporation. When the Labor Party was on corporate governance watch, Abe Goldberg took hundreds of millions of dollars from the shareholders of the Linter group. When the Labor Party was on corporate governance watch, Laurie Connell took hundreds of millions of dollars from the people of Western Australia. When the Labor Party was on corporate governance watch, Brian Yuill took hundreds of millions of dollars from the shareholders of Spedley.

The only person who would welcome the Labor Party’s sloppy approach to corporate governance is a guy who I think currently lives in Majorca and suffers from recurring bouts of ill health. He is doubled over laughing at the Labor Party when it talks about good corporate governance. I happen to know a bit about this, because for almost a year of my life I acted for the creditors of the Spedley liquidation. We were forced to recover in the order of $780 million of creditors’ money. For the Labor Party to now piously intone that somehow or other it is all due to the banks instead of a sloppy approach
to prudential supervision and corporate governance defies belief.

It is also extraordinary, to say the least, that, after the nearly universal bagging that Labor’s so-called banking policy has received in the financial press in relation to it being rushed out on Monday, Labor would line up again today in general business to chide the government and to urge the establishment of a banking social charter to ensure that banks meet their social obligations to the community. I do not think Senator Collins could have read any of these headlines, but let me just remind the chamber of what they say. One says ‘ALP banks policy seen as dangerous’. Another one is ‘Bank regulation a backward step’. Another one is ‘Labor is banking on votes’. There seems to be a trend emerging here. Could it be that Labor’s so-called banking policy is really seen as a cynical grab for votes and not a constructive way in which to address what all of us acknowledge is necessary to protect those who are seriously disadvantaged by developments in the banking system?

The proposition contained in the motion today is simply loaded with unfounded assumptions and is once again a clear indication that the Labor Party is really incapable of devising a credible way of achieving a desired outcome. Of course, other speakers have made—and the motion does invite—a comparison between Labor’s bungled and flawed handling of the finances of this country when in government and the successes and achievements of the coalition. Labor certainly does not come off very well.

Of course, by now the sequence of events and the debacle surrounding the release of Labor’s flawed banking policy are clear. There cannot be any serious doubt that the government has been working with the banks for some time to find ways of reducing the cost of banking, especially for pensioners. It has been a consuming desire for this government to achieve this and to ensure that people in rural and regional areas have adequate access to banking services. To that end, as you might expect, the government has made a couple of submissions to the Viney review. Surprisingly, the ALP did not make a submission. If in fact their banking policy has been clutched to their bosom and has been in the making for some two years, it is very interesting that none of this was shared with the Viney review.

When the Australian Bankers Association briefed the Labor Party last Friday on their new commitments in relation to fee free banking, the Labor Party plagiarised them—I do not think there is much doubt about it; though, admittedly, there were a few add-ons and a few frills and they tried to push it a bit further—and announced them as their own policy on Monday. The main aspect of the policy which was Labor’s own idea is the levy. They want to impose on every bank customer in Australia a fee or a levy in order to reopen bank branches that have closed. This is really quite extraordinary, and it has already undergone some transition since it was announced.

It is worth noting that some 500 branches closed in the last three years of the Labor government. The estimate given by the Treasurer is that to reopen them would cost up to $300 million. Labor propose to spend only $20 million to do that. A day or so later Mr Beazley, realising that the levy would be insufficient, thought he had better pare that back a bit. So it is not entirely clear whether all bank branches will be reopened, or just a few here or there or just where it might suit this very modest budget of $20 million.

Certainly, this policy shows very clearly that Labor do want to intervene. They want to return to the days of government involvement in the banking sector. The experience of Labor’s involvement in the banking industry is not very pretty. Quite apart from all of these errors and problems on Labor’s corporate governance watch, who could forget the experience with the State Bank of Victoria and the State Bank of South Australia? In government, federal Labor’s policy was to sell the Commonwealth Bank. That was about the extent of their policy then.

For the purposes of the discussion this afternoon, it is worth looking at the ABA’s action plan as compared to Labor’s pretty shameless plagiarism of the ABA’s plan with, as I said, a few predictable add-ons. The ABA has now acknowledged that its relationship with the community is a two-
way street. The ABA announced that, as part of the Viney review of the banking industry code of conduct, it will include in the revised code a commitment to provide fee free banking to holders of welfare cards, and that is a lot of customers; to not diminish face-to-face banking in rural and regional areas from current levels; to undertake a three-month bank branch closure protocol in rural areas; and to undertake significant access arrangements for disabled customers.

The ABA must have been mightily surprised last Friday to find that what they had been working on with the government and what they had briefed the Labor Party on—obviously as a matter of courtesy and cooperation—suddenly got hijacked and released as the ALP’s so-called policy. It speaks volumes for how industry sectors can expect to have their submissions treated with confidentiality if they chance their arm and consult with the Labor Party. The ALP is a policy free zone. That has been said often, and it is absolutely true. They certainly are not in a position to develop their own policies and be capable of sustained thought in relation to an outcome that they desire.

The submission of the Minister for Financial Services and Regulation to the Viney review on behalf of the government has encouraged the ABA’s work without expressly trying to claim it as the Howard government’s policy. This government is prepared to work with industry sectors and business and is prepared to encourage these sorts of partnerships in development of policy. But this government does take credit for the success of the industry self-regulation, which has now seen real benefits flow through to customers as a result of the banks working with the community.

Labor’s proposal to levy the banks to force the restoration of social services is the real worry in their add-on. It is a bit of political opportunism—that is one thing. But turning back down the road of increased bank regulation, as the opposition is threatening to do, is far more serious. We should make no mistake about the seriousness of this threat. Assuming that Senator Conroy, as Labor’s spokesman on banking, can be taken seriously, he was reported on PM last Mon-

day, 26 March as saying a few revealing things, which I think are worth mentioning. He said:

Look Labor as you know, has been campaigning on the social charter for nearly two years. And we’ve delivered a comprehensive plan to see restoration of services, basic bank accounts … I mean, the ABA have delivered on a lot of the issues that Labor’s been campaigning on, and we welcome that. We think this is a great first step, but it’s not the last step.

I interpolate there that, if they had been campaigning for a couple of years, isn’t it interesting that the Viney committee did not receive any of their thoughts? He went on to say:

John Howard and Joe Hockey talk that banks have social obligations, but they’re not listening, they won’t act. We’ve now laid down the gauntlet, and we’re saying here’s our plan, if the banks won’t come to the party, we are prepared to legislate community service obligations into various banking acts and legislation.

First of all, Senator Conroy has an enormous hide to appropriate the work of the government and the ABA, announced in the ABA’s action plan, as Labor’s own work. Far more serious is the threat to reregulate the banking system with rigid new rules. The ALP throws around the concept of the banks having a social obligation without any attempt to define its content, how it would operate or how it would sit with the need for the banks to operate in a competitive environment.

Where is the guarantee that there will be any improvement in services? Labor’s social charter portends that the banks’ 17 million customers and 6.5 million shareholders will have to foot the bill for what are essentially unenforceable obligations. Labor seems to ignore the point that the banks have a principal legal obligation to their shareholders, and that they are profit making enterprises. Indeed, the health of the banks is a hallmark of an efficient economy. Of course banks should be honest and transparent in the way they charge fees and provide other products. The ABA’s action plan goes some considerable distance to addressing that need and improving low cost or safety net facilities for the really disadvantaged and disabled. But the tail should not wag the dog.
Should the undisputed need to make some provision for those who are seriously economically disadvantaged be achieved by leg-roping the banks? Should it be imposed at all? It is really all too predictable that rigid rules about closing branches or providing services with no fee will at the same time impede competition and stifle innovation. For one thing, some of the community’s responses to bank closures, such as new community banks and, indeed, the excellent initiative of rural transaction centres, are hardly likely to be encouraged if the banks are forced to absorb all the community’s banking needs. Much as they might like to do so, the Labor opposition cannot turn back the hands of time. Does the ALP really want to re-regulate banking?

DOCUMENTS

The ACTING DEPUTY PRESIDENT (Senator Chapman)—Order! It being 6 p.m., the time allotted for the consideration of general business notices of motion has expired. The Senate will now proceed to the consideration of government documents.

Consideration

The following orders of the day relating to government documents were considered:

- Australian Radiation Protection and Nuclear Safety Agency—Quarterly report for the period 1 October to 31 December 2000. Motion of Senator Stott Despoja to take note of document agreed to.


- Human Rights and Equal Opportunity Commission—Report No. 12—Inquiry into a complaint of acts or practices inconsistent with or contrary to human rights in an immigration detention centre. Motion of Senator Bartlett to take note of document agreed to.


General business order of the day no. 1 relating to government documents was called on but no motion was moved.

COMMITTEES

Rural and Regional Affairs and Transport References Committee

Report: Government Response

Debate resumed from 8 March, on motion by Senator Forshaw:

That the Senate take note of the document.

Senator O’BRIEN (Tasmania) (6.02 p.m.)—I want to make a few comments today in relation to this matter. It is notable that the government response to this report is, I think, about 14 lines of meaningless generalities. It was last considered in this place a little while ago and things seem to have gone from bad to worse for many dairy farmers since that time. The reason is obvious: the government failed to work with the dairy industry to develop a comprehensive, properly resourced plan to manage the deregulation of the industry and, as a consequence, a number of dairy regions have unnecessarily suffered significant adverse affects from deregulation. This is a package the government describes as a $1.7 million package—and I believe it is. The government indicates that it is responsible for the package, almost implying that it is putting up money, when it is not and when one considers that the initial position of the industry on the dairy restruc-
ture package was that the payments to dairy farmers should have been tax free and that the government rejected that. Various estimates are out there, but I think the compensation package of $1.7 million leads to revenue of about $500 million to the Commonwealth, of which they are putting up not one red cent. Because we have changed the arrangements and removed regulation, there is a package to allow the industry to restructure to some extent—and to the extent that it provides money, that is good—but there is a windfall, effectively, to the Commonwealth of half a million dollars. I do not think that should be forgotten in all of this.

One would have thought that this government would have learned something from its mishandling of the crisis that hit the Australian pork industry in 1997. In that case the government, firstly, resisted pressure from pork producers for help and, then, put in place a limited package to try to placate growers rather than deal with the problems confronting them in September 1997. According to the government, it was designed to boost the competitiveness of the industry, but it was totally inadequate. Then, on 10 June 1998, the then minister, Mr Anderson, and Mr Fischer, who I think was still Deputy Prime Minister, had a second attempt, announcing what was described as an 'enhanced' assistance package for the pork industry. This package was also designed to enhance the competitiveness of the industry. It was more a response to the difficult political situation than to the needs of the industry.

This second package provided an additional $9 million to go with the already committed $10 million—that is $19 million more than the government put into the dairy package, of course. But that package was still clearly inadequate and, in January 1999, yet another package was announced, which was worth $6 million and designed to assist people to exit the industry. I go back to the dairy package because, of course, there is an exit package funded entirely by the levy and not one cent of Commonwealth money is going to the exit package for the dairy industry. But in the pork industry the exit package was $6 million. Looking at the pork industry as a comparison, there was no coor-
dinated strategy to address all the key issues facing the industry or to deliver in a timely manner; it was a disjointed approach and, in that case, it was driven by political pressure.

Tragically for the dairy industry, the government has adopted the same approach to assist that sector to manage deregulation. It has been clear to everyone for some time that this industry would be subjected to further deregulation. If the government were doing its job properly, as I have said before, it would have worked with the industry to develop a comprehensive plan to manage the process, but it did not. It said to the industry, 'You give us a plan and we'll look at it.' The industry produced a plan and gave it to the government on, I think, 23 April 1999. But it was not until 28 September of that year that the government responded. That response did not flow from a combination of government and industry resources being applied to address the problem and build a comprehensive plan. The 28 September announcement was made by a reluctant government. And events have shown that that response was clearly inadequate, because it was a one size fits all approach that we on this side know, and knew then, would not work. In fact, the government had been forewarned by its own rural economic think tank, ABARE, that not all farmers in all regions would be affected in the same way. But the government chose to ignore that advice.

The Senate Rural and Regional Affairs and Transport References Committee then provided the government with a comprehensive plan in October 1999—that is, the committee did the minister's job for him again. The committee consulted properly with the industry and developed a plan. But that plan was also ignored by the minister—that was until March last year, when the minister was forced to extend the package to assist dairy regions adversely affected by the deregulation of the industry. But, then again, the guidelines for this regional assistance package were not released until 17 July. That is yet another example of policy on the run, of course. And, since that commitment, we have seen assistance to such key dairy region initiatives as funding of $220,000 for the Southern Cross Polocrosse and Equestrian
Centre to upgrade its facilities and $55,000 for the Ipswich Grammar School Centenary Building Fund for wine promotion.

Despite having two goes at getting it right, the government’s response was still inadequate. So last November the minister decided to commission a report from the Australian Bureau of Agricultural and Resource Economics—ABARE—to investigate the impact of deregulation on the dairy industry. We have recently seen yet another dairy package announced by the government, this time for dairy farmers affected by floods, with a promise of more to come. So rather than doing its job, working out a comprehensive, properly resourced strategy and implementing that strategy in a timely fashion, yet again we have seen an ad hoc, disjointed approach driven by little more than political self-interest. In contrast, on 13 February, the Labor Party announced a strategy to assist this industry to get out of the Howard government imposed mess in which it finds itself. A special dairy task force was also established, which is currently meeting with farmers to get a first-hand view of the current state of the industry.

Effective and adequate assistance to regional economies is critically important. A plan to help regions should have been high on the government’s list of priorities, but it was not there at all until last March. After we are elected to office—which may be later this year; it may be early next year—Labor will immediately review the Dairy Regional Adjustment Program to ensure that priority is given to projects that directly assist those who have lost jobs or whose income has been slashed as a result of deregulation. I do not think we will be giving money to a polo-crosse club or to a grammar school’s building fund to promote wine.

The priorities will be reskilling people—which one would have thought would be a vital part of any adjustment plan—and we will earmark $20 million of those funds to help farmers, processors and manufacturers improve their skills to increase productivity and profitability. Assisting people out of this industry will also be a key part of restructuring the dairy sector. We will review the operation of the Dairy Exit Program to make it more accessible to those who need it. We will also establish an inquiry into the operations and accountability mechanisms of dairy co-operatives. And we will respond to other issues that might emerge from the process of consultation through our dairy industry task force currently under way with the industry. These initiatives will go a long way to tidying up the mess that the government has created and the burden that that mess has imposed on Australian dairy farmers. One can only hope that we get a chance to do it sooner rather than later.

Question resolved in the affirmative.

Consideration

The following order of the day relating to committee reports and government responses was considered:


ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Chapman)—Order! There being no further consideration of government documents, I propose the question:

That the Senate do now adjourn.

Reserve Bank of Australia: Interest Rates

Senator WATSON (Tasmania) (6.12 p.m.)—Tonight I wish to address the issue of the Reserve Bank policies in relation to the setting of interest rates and the lack of transparency leading to those decisions. Last Friday’s speech in Tokyo by the Reserve Bank Deputy Governor, Dr Grenville, not surprisingly attracted some political flak because of his GST observations. As far as I am concerned, it did provide the catalyst for a questioning of the bank’s own policies in relation to two issues: firstly, damage done to business as a result of last year’s interest rate movements; and, secondly, a lack of transparency of the bank’s own board determinations.

Firstly, there does appear to be a lack of appreciation by the board of the Reserve
Bank of the very severe impact that upward interest rate movements have on the confidence of business. Indeed, interest rate movements are a very crude mechanism by which to finetune the economy and keep it on an inflation free growth path. Dr Grenville at least got one thing right when he acknowledged that the current weakness in the Australian economy was likely to be short lived because the fundamentals of the Australian economy are indeed strong and because of recent budget surpluses, traditionally low interest rates and low inflationary expectations.

Given that the Reserve Bank is silent on the reasons for its own actions, Dr Grenville’s extraordinary outburst blaming the GST for an economic slowdown does raise some interesting side issues, especially as his statement was made outside Australia. Therefore, to the cynic—and there are many around in Australia, including me—Dr Grenville’s statements may well be seen to be an attempt to cover up some of the board’s own inadequacies during the past 18 months in relation to its bewildering movement of interest rates and the problems that that has caused business. In that time, the Reserve Bank has moved interest rates seven times, and this has caused massive damage to business confidence as well as to business costs.

Therefore, I take this opportunity to state that there are a number of questions that now need to be asked of the bank board publicly from this chamber. Firstly, in raising rates last year why was the board so preoccupied with the value of the Australian dollar? Secondly, was the board itself not unaware that frequent rate rises inevitably place the economy hostage to international currency dealers? Thirdly, does the Reserve Bank not recognise that interest rate rises are inflationary since they inevitably get built into prices? The Reserve Bank policies over the past 18 months have cost businesses dearly, and one may well ask business: how many prices are now higher than they might have been without the board’s frequent intervention on interest rates and the scale of that intervention last year? Inflation is rightly a concern of the Reserve Bank but, given the current environment in which we find ourselves today, we should be asking: is that focus at present too strong?

Honourable senators should remember the disastrous impact 10 years ago of massive interest rate hikes driving the Australian economy into its worst recession since the Great Depression. Unemployment ran from 5.8 per cent to 11 per cent and interest rates rose to 17 per cent and beyond for those corporations with weak balance sheets.

Perhaps the most significant reason for the past growth in the economy has been the impact of the coalition budget surpluses coupled with a reduction of government debt—thereby liberating funds for other purposes—a reduction in unproductive spending and a moderation of unreasonable wage claims rather than the management of interest rates by the Reserve Bank. I pose a further final question: is the Reserve Bank properly identifying those factors that the board can influence separately from those outside its control?

Reasons for decisions are important in legal cases, just as good corporate governance requires the establishment of pathways or frameworks for decision making. Now may well be the time for the Reserve Bank of Australia’s decision making process to be more open and transparent and for them to explain what influences the Reserve Bank’s decisions rather than just have them merely entering the political fray by questioning the GST outside our shores.

Telstra: Superannuation Provision

Senator CONROY (Victoria) (6.18 p.m.)—I rise tonight to talk on an issue that came to light some weeks ago which I believe creates some serious ethical concerns—and I am sure that my colleague Senator Watson would share some of those concerns. Recently Telstra gave notice that up to 15,000 people are facing redundancy over the next 18 months. In the past when employees have faced redundancy with Telstra, Telstra have—as part of a redundancy settlement—allowed the employees to choose financial planners of their choice to advise them on their redundancy package and the best way that it should be handled. Telstra
would provide $165 for a financial plan, and this would be paid to the employee’s preferred financial planner.

Recently it has come to light that Telstra appear to have secretly done a deal with the National Australia Bank and its subsidiaries to pay the $165 for a financial planner only if the Telstra employee agrees to see the recommended planner. This deal, I think, contravenes two well-established practices and, in my view, also exposes Telstra to possible future litigation. Arrangements of this nature normally go through a tender process. At this stage none of the employees faced with redundancy have had any say in any proposal or have had any involvement in the tendering process, and they are being required to go to the supposed winner of the tendering process.

Most financial arrangements between companies and financial planners involve a degree of money changing hands—which is perfectly fair and reasonable. Usually it works on the basis of some sort of fee being paid for services provided and guaranteed customer supply. For Telstra to be potentially receiving fees from the company that it is foisting upon its redundant employees, in my view, means Telstra are profiteering on the backs of the very people that they are making redundant. If it is not bad enough that they are making these people redundant, they are profiteering on their misery in being made redundant. I think there are some serious ethical considerations for Telstra. As is common practice and common knowledge—and there have been some unfortunate examples, and I know you, Mr Acting Deputy President Chapman, have seen some of these in the work that you do—if companies providing information are tied to a particular bank or financial service provider, they will only recommend products that the bank or service provider endorses.

**Senator Watson**—Not always.

**Senator CONROY**—I will take that interjection from you, Senator Watson, even though you were not in your seat. You are right—I did say ‘in most cases’. But it is clear from recent practice in some of the banks—and there are some investigations into this—that a greater fee is received for recommending the ‘in-house product’, if I could use that phrase to characterise it.

The second ethical problem that arises is that financial advisers should be giving you advice in your best interests and with the full knowledge of your own financial circumstances. They should not be giving you advice to take a product that maximises their benefit, because they are not truly independent if that is the case. If these advisers are in a situation where, if they recommend a NAB or a related company product and they get a greater level of remuneration themselves, then they are posed with a dilemma, and it would be better for them not to be facing this dilemma.

I believe that, if bad advice is given to some of these people who have been made redundant, then further down the track Telstra could be liable because they have forced these people to use a particular financial planner. I would envisage that, if anything goes wrong, the former employee would be looking to seek redress. Because Telstra have trapped the employee within a financial structure not of their choosing, they are opening themselves up to future legal redress. Telstra are placing themselves and their financial advisory company in some very difficult circumstances.

While the agreed service provider for all the remaining Telstra staff may be the NAB and its subsidiaries, and there may be no problem with having that arrangement and with having that literature—that is a perfectly reasonable corporate practice—I call on Telstra to take a step back. Firstly, these people by definition are no longer your employees. You should not be profiteering from employees that have been made redundant. I believe that you should release the redundant employees from the company and allow choice. There is a lot of talk about choice. I know Senator Watson and Senator Chapman in the chair are passionate supporters of choice. I hope that, if you are contacted about these issues, you would say, ‘Redundant employees deserve choice.’ They deserve the right to choose who should give them financial advice. I do not think that is unreasonable. I do
not think that senators in this chamber would find that unreasonable. And I do not think Telstra should find that unreasonable.

It is important that the $165 be allowed to go to the company of choice of the employee, and not be channelled by Telstra into one company in which it has a financial relationship—that is a conflict of interest. Telstra are placing themselves in a serious conflict of interest. They can promote this company to these employees—I think that is perfectly fair and reasonable. They can promote it to their remaining employees—that is perfectly fair and reasonable. But to force redundant employees into this particular company is a serious conflict of interest, in my view. Telstra are doing themselves no service by placing a potential legal liability on themselves; it is certainly a conflict of interest charge. At the end of the day, this is a difficult time for employees who are being made redundant, and they should not have this extra impost of being channelled into one company that is not necessarily looking after their best interests.

I call on Telstra to reverse this decision. It is not good enough to treat redundant employees this way. It is not good enough to trap people inside a structure that they do not wish to be trapped inside of. No-one else would accept it. No-one else should be made to use a financial adviser that they have not chosen. Telstra might be making some profit on the back of this, but that is not a good enough reason to do away with these redundant employees’ rights.

International Criminal Court

Senator GREIG (Western Australia) (6.27 p.m.)—I rise tonight to speak on the notion of an international criminal court. One of the hallmarks of the Howard government has been its unwillingness to meet its international human rights commitments. The government’s failure to put an end to mandatory sentencing; its hostile attitude to the vital institutions that protect rights, such as the Human Rights and Equal Opportunity Commission and the Administrative Appeals Tribunal; its populist policies on Aboriginal reconciliation; and its appalling treatment of refugees—all illustrate its failure to live up to the expectations of the international community.

Next week the Senate debates a bill introduced by the government to overrule the decision of the High Court case known as Teoh. That decision requires public officials to have regard to our international human rights and other commitments when making administrative decisions. Government departments have adapted well to Teoh, but the government has decided to ignore this and to continue with its campaign to wind back the clock on human rights. We know that the government does not feel compelled to meet its commitments relating to the manner in which it treats people within our borders, but we like to think that it at least behaves responsibly and compassionately on the international stage.

One of the most impressive cooperative international human rights projects of recent times has been the development of a framework for an international criminal court. The court will come into existence only when 60 nations have ratified the Statute of the International Criminal Court. The count now stands at 29. In a joint media release dated 25 October 2000, the Minister for Foreign Affairs and the Attorney-General announced their intention to introduce legislation to ratify the statute by the end of last year. The ministers hailed this as a ‘major international human rights initiative for Australia’. The legislation was not introduced as promised, and Australia’s commitment to this initiative is now in question. My fear is that this important measure will soon suffer the same fate that many human rights measures have suffered already at the hands of the Howard government. After all, this is the government that will not even publicly release its mandatory sentencing submission to the United Nations Human Rights Commission. Apparently it is not in the public interest for the people to know what justifications the government can come up with for Australia’s draconian mandatory sentencing laws which most adversely affect Aboriginal people.

It disturbs me that the government has appeared to backflip on the ratification of the statute. The statute has been embraced by many nations throughout the world, includ-
ing Canada, France, Germany, Belgium, Italy, New Zealand, Spain and a host of others. Its purpose is to ensure that future gross violations of international law, such as crimes against humanity and genocide, do not go unpunished. The arm of the law must be long enough to reach the perpetrators of these brutalities even when domestic legal systems are unable or unwilling to deliver justice. The international court will provide a politically neutral forum in which gross criminal violations of human rights can be tried when normal legal avenues have been exhausted. The international community is now holding its breath waiting for 60 nations to ratify the statute and bring the court into existence. I would ask the government why it is delaying the creation of the court by failing to ratify the statute.

The statute is based on three key principles. The first is the principle of complementarity. Under this principle the ICC may only assume jurisdiction where domestic legal systems are unable or unwilling to exercise jurisdiction. The ICC is not intended to replace any domestic courts but rather to provide an alternative avenue for the prosecution of criminals where domestic legal systems fail. The second principle is that the statute deals solely with the most serious violations of international law. The court will have jurisdiction over a few core crimes such as genocide, crimes against humanity and war crimes. The third principle is that the statute is almost completely confined to customary international law. The statute is not about promoting international law over domestic law. It is about providing the means for ensuring that those who brutally violate established core international human rights standards are brought to justice. This is by no means a new or radical initiative. Indeed, the ICC will finally deliver on the overdue promise offered by the Nuremberg trials. In the aftermath of World War II, the promise was that atrocities could no longer be committed with impunity.

Until now, political obstacles have unfortunately prevented the creation of a permanent international court to achieve this objective. Instead, various tribunals have been set up to deal with particularly brutal violations of international law. The 1993 tribunal established to prosecute violations of humanitarian law in the former Yugoslavia was a step in the right direction. However, the Yugoslav tragedy is not unique. In fact, shortly after the successful establishment of the tribunal for Yugoslavia, Rwanda was rocked by the tribal genocide of over 500,000 people. Initially no tribunal was established. Drawing parallels with the atrocities of Bosnia and Nazi Germany, Rwanda’s Prime Minister designate asked the UN Security Council, ‘Is it because we’re Africans that a similar court has not been set up?’ Faced with this charge of bias, the UN was compelled to set up a tribunal for Rwanda along the lines of the Yugoslav tribunal. What about Iraq’s violations of humanitarian law during the Gulf War? What about the genocide in Cambodia or the crimes against humanity committed in El Salvador, Haiti and East Timor? It appears that the perpetrators of these brutal atrocities will go largely unpunished. The ICC will not have jurisdiction over past atrocities but it will send a message that the international community will no longer tolerate gross violations of human rights. Future perpetrators of inhumane atrocities will no longer be able to take solace in the knowledge that there is no established body to try them for their brutality.

Where is Australia in this campaign for the betterment of humankind? It is making promises but failing to deliver. The government has this week criticised my colleague Senator Ridgeway for his comments at the United Nations relating to reconciliation. The theme of the government’s attack was that we can have vigorous debate internally but we must offer the international community a vision of a united Australia that respects human rights. But meanwhile the government refuses to contribute to the creation of international human rights institutions. It refuses to contribute to the enforcement of international prohibitions on genocide, on war crimes and on crimes against humanity. I do not accuse the government of supporting these atrocities but if it is not prepared to offer any resistance to them then the effect is the same.
The government presents to the international community an Australia that is anything but a leader on human rights issues. History teaches us that individuals responsible for serious crimes against humankind are rarely brought to justice. We have a unique opportunity to change that from this point forward into history. If the ICC does not come into existence, in part because of Australia’s failure to ratify the statute, then we will have blood on our hands the next time some regime launches a campaign of genocide, safe in the knowledge that the international community has no established mechanism to bring those perpetrators to justice. Australia should be at the forefront of this debate. Instead we are sitting on the sidelines and doing nothing. I implore the government—indeed, I implore the parliament—to join the collected voices of civilised nations throughout the world and send a clear message that the international community will no longer tolerate crimes against humanity and other atrocities. Creating the ICC is a matter of urgency.

Senate adjourned at 6.36 p.m.

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

Aged Care Act—

Accreditation Grant Amendment Principles 2000 (No. 1).

Residential Care Subsidy Amendment Principles 2000 (No. 4).

Sanctions Amendment Principles 2001 (No. 1).


Civil Aviation Act—Civil Aviation Regulations—Civil Aviation Orders—

Civil Aviation Amendment Order (No. 2) 2001.

Civil Aviation Amendment Order (No. 3) 2001.

Exemption No. CASA EX09/2001.

Instrument No. CASA 121/01.


Customs Act—CEO Instrument of Approval No. 2 of 2001.

Health Insurance Act—


Health Insurance (Accredited Pathology Laboratories—Approval) Amendment Principles 2001 (No. 1).


PROCLAMATIONS

A proclamation by His Excellency the Governor-General was tabled, notifying that he had proclaimed the following provisions of an Act to come into operation on the date specified:

Fuel Quality Standards Act 2000—Part 1; Divisions 1, 3, 6 and 8 of Part 2; and Part 5—23 March 2001 (Gazette No. S 98, 23 March 2001).
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Department of Agriculture, Fisheries and Forestry: Legal Advice
(Question No. 3380)

Senator Robert Ray asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, 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-Generals 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 Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

Coding within the Department of Agriculture, Fisheries and Forestry electronic financial system does not allow the department to distinguish payments for legal advice from those of other legal services. However, departmental records indicate that:

1. The total cost for legal services provided to the department by the Attorney-Generals Department in the 1999-2000 financial year was $3,103,731.90.

2. The total cost for legal services provided to the department by other sources in the 1999-2000 financial year was $629,396.75.

Agriculture, Fisheries and Forestry Portfolio: Value of Market Research
(Question No. 3397)

Senator Robert Ray asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 29 January 2001:

1. What was the total value of market research sought by the department and any agencies of the department for the 1999-2000 financial year.

2. What was the purpose of each contract let.

3. In each instance: (a) how many firms were invited to submit proposals; and (b) how many tender proposals were received.

4. In each instance, which firm was selected to conduct the research.

5. In each instance: (a) what was the estimated or contract price of the research work; and (b) what was the actual amount expended by the department or any agency of the department.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

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<td>Ascertain progress made with communication activities associated with the implementation of the Montreal Process Criteria and Indicators.</td>
<td>One with expertise related to forestry and communication was selected to submit a proposal</td>
<td>One Suzette Searle, Forestry Consultant</td>
<td>$12,000</td>
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<td>To Develop a strategy for rural GST communication and information pro</td>
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To trial television, radio and newspaper advertisements on the inevitability of drought and the availability of Federal Government assistance programs.

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<td>Dairy Industry Adjustment Package</td>
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<td>AMR: Quantum Harris</td>
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<td>Agriculture – Advancing Australia (AAA) - FarmBis Annual Follow up Survey</td>
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Note 1  Due to the nature of the appointment there was no estimated cost of the research as this would vary depending on the volume and nature of the research considered necessary as the campaign progressed.

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Note 2  Due to the nature of the campaign there could be no estimated cost of the research, as this would vary depending on the volume and nature of the specific products being researched throughout the life of the campaign.
Employment, Workplace Relations and Small Business Portfolio: Executive Agencies
(Question No. 3405)

Senator O’Brien asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 31 January 2000:

(1) How many executive agencies are there in the Minister’s portfolio.
(2) In each case: (a) what was the cost of establishing the agency.
(3) In each case, can a breakdown of all costs incurred in establishing the executive agency be provided, including accommodation, human resources (including payroll management) and information technology resources.
(4) In each case, have any corresponding savings been identified by the department from the establishment of the executive agency.
(5) In each case, what is the public benefit flowing from the establishment of the executive agency.

Senator Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:
None.

Sydney Olympic Games: Coin Program
(Question No. 3439)

Senator O’Brien asked the Minister representing the Treasurer, upon notice, on 26 February 2001:

With reference to the answer to question on notice no. 3121 (Hansard, 8 February 2001, page 21810): What was the reason for the change in the arrangement between the Royal Australian Mint (RAM) and Gold Corporation (GC) that saw the transfer of all marketing responsibilities to GC and all distribution to RAM.

Senator Kemp—The Minister for Financial Services and Regulation has provided the following answer to the honourable senator’s question:
The change, reported on page 11 of the Royal Australian Mint’s Annual Report for 1997-98, were aimed at achieving:
• more efficiency by having the whole marketing effort driven by one organisation with one specialised marketing team; and
• consistency of message and general communication.

Sydney Olympic Games: Coin Program
(Question No. 3440)

Senator O’Brien asked the Minister representing the Treasurer, upon notice, on 26 February 2001:

With reference to the answer to question on notice no. 3124 (Hansard, 8 February 2001, page 21812):

(1) What is the nature of the business carried out by the overseas offices of Gold Corporation.
(2) How much of the business carried out by these offices relates to trading in gold bullion and how much business relates to numismatics.
(3) Can the Minister provide a breakdown of the administrative overheads for each office identified in the table on page two of the answer to question no. 3124.
(4) Does the funding for both advertising and promotion and administrative overheads for south-east Asia include both Australia and New Zealand; if so, can a separate breakdown of expenditure on advertising and promotion and administrative overheads for Australia and New Zealand be provided; if not, what was the level of funding for advertising and promotion and administrative overheads for both Australia and New Zealand.

Senator Kemp—The Minister for Financial Services and Regulation has provided the following answer to the honourable senator’s question:
(1) Marketing a full range of Gold Corporation’s products and services including a wide range of bullion and numismatic coins, medallions, natural nuggets, Perth Mint Collectables, precious metal blanking facilities, Perth Mint Depository Services, Perth Mint Certificate Program, etc.

(2) This is commercially sensitive information confidential to Gold Corporation.

(3) A lump sum was agreed to cover administration overheads for each office at the start of the Program. For the Europe (Lausanne), Japan (Tokyo), SE Asia (Hong Kong) and Americas (San Juan Capistrano) Offices, the breakdown of how the administration overhead was spent is confidential to Gold Corporation.

(4) No. For Australia and New Zealand, expenses to end-September 2000 on advertising and promotion were $6.15m and on administration overhead were $2.42m.

**Sydney Olympic Games: Coin Program**

(Question No. 3441)

**Senator O’Brien** asked the Minister representing the Treasurer, upon notice, on 26 February 2001:

With reference to the answer to question on notice no. 3125 (**Hansard**, 8 February 2001, page 21812):

**Senator Kemp**—The Minister for Financial Services and Regulation has provided the following answer to the honourable senator’s question:

Ten grams of 99.99 percent pure gold.

**Sydney Olympic Games: Coin Program**

(Question No. 3442)

**Senator O’Brien** asked the Minister representing the Treasurer, upon notice, on 26 February 2001:

With reference to the answer to question on notice no. 3126 (**Hansard**, 8 February 2001, page 21813):

(1)(a) What was the purpose of each trip undertaken by Mr Ian Hamilton and Mr Colin Mickleburgh; and (b) how did each trip relate to the Sydney 2000 Olympic Coin Program.

(2) Were any other trips taken that related to the joint venture between the Royal Australian Mint and Gold Corporation; if so: (a) what was the purpose and duration of each trip; (b) who undertook each trip; and (c) what was the cost of each trip including travel, accommodation, entertainment and other costs.

(3)(a) Who employs Mr Colin Mickleburgh; (b) what is his position; and (c) what was his role in the Sydney 2000 Olympic Coin Program.

**Senator Kemp**—The Minister for Financial Services and Regulation has provided the following answer to the honourable senator’s question:

(1) (a) & (b) The trip undertaken by Mr Hamilton (as Acting Controller, Royal Australian Mint) and Mr Mickleburgh (as Marketing Director, Royal Australian Mint) in October 1996 was to meet the international marketing and senior management of Gold Corporation, SOCOG and IOC representatives and develop a coin program that was acceptable to all parties. All subsequent trips by Mr Mickleburgh were in his capacity as Joint Marketing Director for the Program and directly and wholly associated with the development and promotion of the Olympic and Paralympic Coin Programs.

(2) (a) (b) & (c) Other than those mentioned in the answer to Question No. 3126, no other overseas trips were undertaken by Royal Australian Mint employees in respect of the Sydney 2000 Olympic Coin Program. The details of overseas trips undertaken by Gold Corporation personnel are confidential to Gold Corporation.

(3)(a) The Royal Australian Mint.

(b) Joint Marketing Director, Sydney 2000 Olympic Coin Program.

(c) As noted at page 11 of the Royal Australian Mint’s Annual Report for 1997-98, with the transfer of responsibility for marketing of the Sydney 2000 Olympic Coin Program to Gold Corporation in July 1998, Mr Mickleburgh was seconded to that organisation as the Royal Australian Mint’s
permanent representative within the marketing team, heading up a new office of the Program in Sydney.

**OlympiXex Exhibition: Costs**

(Question No. 3443)

Senator O’Brien asked the Minister representing the Treasurer, upon notice, on 26 February 2001:

With reference to answer 1(b) to question on notice no. 3127 (Hansard, 8 February 2001, page 21814):

(1) Can the Minister provide a detailed breakdown of the costs associated with the Olymphilex Exhibition including salaries, travel, accommodation and entertainment.

(2) Was any accommodation booked for overseas collectors; if so: (a) how much accommodation was booked; (b) where was it booked; (c) what was the cost; and (d) what was the utilisation of the accommodation by overseas collectors.

Senator Kemp—The Minister for Financial Services and Regulation has provided the following answer to the honourable senator’s question:

(1) The Olymphilex Exhibition was an IOC-organised event in which the Royal Australian Mint participated, but which was not funded by the Royal Australian Mint or the Sydney 2000 Olympic Coin Program. The total costs of the Royal Australian Mint’s participation in the Olymphilex Exhibition in Sydney were provided in response to Question 3127, and included approximately $12,400 salary costs, $6,400 travel and car hire costs, $19,800 accommodation and $6,600 logistics. There were no entertainment expenses.

(2) No.

**Royal Australian Mint: Collectors of Public Moneys**

(Question No. 3444)

Senator O’Brien asked the Minister representing the Treasurer, upon notice, on 26 February 2001:

(1) How many officers employed by the Royal Australian Mint are designated as Collectors of Public Money.

(2) What procedures are these officers obliged to follow when banking cheques.

(3) Have any officers designated as Collectors of Public Money failed to handle cheques in accordance with the above procedures; if so, what was the number, and value, of the cheques that were not handled in accordance with the above procedures.

(4)(a) How were the cheques not handled in accordance with the above procedures located; (b) where were the cheques located; and (c) how long had these cheques remained unbanked when they were discovered.

(5) Were the above cheques related to the Sydney Olympic 2000 Coin Program.

(6) If cheques to the Royal Australian Mint were not handled correctly what action followed the location of these cheques; if no action was taken, why not.

Senator Kemp—The Minister for Financial Services and Regulation has provided the following answer to the honourable senator’s question:

(1) One.

(2) The Collector of Public Moneys is required to bank cheques within one day after receipt, unless otherwise determined.

(3) No. However, during finalisation of the Sydney 2000 Olympic Coin Program it was discovered that 343 cheques with a total value of $67,777.61 had not been referred to the Collector of Public Moneys for banking in the normal way.

(4)(a) The cheques were located as part of the finalisation of the Sydney 2000 Olympic Coin Program.

(b) The cheques were located in the administration office of the Sydney 2000 Olympic Coin Program.

(c) The age of the cheques varied.
(5) Yes.
(6) The cheques were for the Sydney 2000 Olympic Coin Program, not the Royal Australian Mint. Early in November 2000 each drawer was written to, with advice that the Mint was holding a cheque that had not been banked as a result of an administrative error, and that the cheque would be deposited in the week or so following 23 November unless otherwise arranged with the customer. The cheques were deposited on Friday 1 December 2000. All cheques were honoured and there was an internal review of procedures to ensure this does not happen again.

**Department of Agriculture, Fisheries and Forestry: Payroll Function**

*(Question No. 3466)*

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 27 February 2001:

(1) Has the department had problems with its payroll function, outsourced to PricewaterhouseCoopers.

(2) What is the extent of the problem with the payroll function.

(3) What service levels and performance criteria were written into the contract with the external service provider.

(4) To what extent does liability accrue to the external service provider for problems such as those experienced with the provision of payroll services.

(5) Have the problems with the payroll function meant that the service levels/performance criteria contained in the contract cannot be met.

(6) What ‘service credits’ have accrued to the department, given the failure of the payroll function to operate correctly to date.

(7) What resources has the department been required to put into rectifying the payroll function problem.

(8) Have the costs of such oversighting and the necessary payroll audit been factored into any savings estimations.

(9) Have any contractual obligations been breached by the payroll problems.

**Senator Alston**—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) The Department undertook an audit of individual salaries following the translation of staff from the four pre-existing certified agreements into the new Agriculture, Fisheries and Forestry - Australia Certified Agreement 2000 –2003. The audit discovered a number of over and under payments.

(2) The current figures for the audit show 361 underpayments to the total value of $66,818 and 408 overpayments to the value of $491,117. These figures are subject to change as audit results are reviewed and incomplete paperwork is provided to the service provider.

(3) The following are the performance measures in the contract relating to remuneration administration and pay variation processing:

- Staff are to receive payments into their nominated financial institution accounts by 9 am on the notified payday; (Note: Where there is no fault of PwC,(eg where a downstream provider has failed) this indicator will not apply).
- Payments to temporary staff are to be received by their nominated financial institution within five business days, of receipt by PwC of flex and time sheets for the staff member’s attendance records.
- Tax group certificates are to be distributed within two weeks of receipt.
- Group certificates which are issued early are to be posted to notified addresses.
- Payroll variations notified by agreed pay cycle cut –off dates are paid on the immediately following payday in 95% of cases.
- Quarterly transaction reports are provided to AFFA’s nominated contact officer within 14 days of the end of the quarter.
- % of overpayments per payee (nil overpayments being desirable).
• Feedback from client survey
• AFFA staff inquiries to be answered with 2 business days of request
• Calculation of separation and redundancy payments to be provided within 7 business days of original request
• Error rate to be less than 3%.
• Following the provision of the first quarterly performance report these measures are currently under review.

(4) The service provider is required to correct any over and under payments. There is no capacity in the contract to impose financial penalty to the service provider for problems such as those outlined in the question.

(5) Yes.
(6) None.

(7) Departmental officers checked salary translations under the new certified agreement as part of the audit.

(8) No additional costs have been factored into estimates of cost savings.

(9) No.

**Australian Quarantine and Inspection Service: Computer Network**

(Question No. 3467)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 27 February 2001:

(1) Did the Australian Quarantine and Inspection Service suffer a ‘catastrophic failure’ in its computer network on 13 January 2001
(2) What failed and what caused the failure.
(3) What are the consequences in terms of down time and service delivery.
(4) What responsibility does the external service provider (Ipex) bear for the failure and the consequence of the failure.
(5) Does the contract with Ipex contain any penalty clauses in the event of such failures.
(6) Will the failure result in the imputation of service credits.

**Senator Alston**—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) No IT problems occurred on the 13 January 2001. However, AFFA did have a failure in one of its file-servers on the 14 January 2001.
(2) The problem was caused by the failure of a disk storage array. At this point in time it is understood that the failure was caused by a mechanical failure within the disk unit.
(3) The file-server is one of a number of file-servers used by AFFA staff located in the Edmund Barton Building. This particular unit services a range of users located in the quarantine, market access and management services business units. Although the file-server was on-line by the start of business 15 January due to the amount of data needing to be restored from backup the recovery process was not fully complete until 18 January. During this period files saved to the server during the previous week were not available to users. This incident had no impact on AFFA’s line-of-business systems or field operations. Specifically the problem had no affect on quarantine or import/export systems.

This problem had no impact on the greater majority of AFFA staff.

(4) Ipex are responsible for replacing the faulty equipment and recovering data from backup.
(5) There are no penalty clauses specifically relating to equipment failure. However, the contract incorporates a service credit regime in the event the contractor fails to meet agreed service levels. As such, if equipment failure is not resolved in a prompt and timely manner therefore impacting on one or more of the agreed service levels then service credits (penalty) may be invoked.

(6) This is yet to be determined.
Australian Quarantine and Inspection Service: Transportation of Deer
(Question No. 3473)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 1 March 2001:

(1) Did the Australian Quarantine and Inspection Service (AQIS) approve or endorse in any way the transportation of 68 deer from Brisbane to Sydney by Qantas Airways on 15 February 2000; and if so:

(a) what was the nature of the approval or endorsement;
(b) when was the approval or endorsement sought from AQIS by Qantas; and
(c) when was the approval granted.

(2) (a) What process did AQIS follow in assessing the application for approval or endorsement; and
(b) which AQIS office carried out the assessment.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) (a) AQIS issued an Export Permit and a Health Certificate for the consignment of 115 deer from Brisbane to Bangkok via Sydney.

(b) Approximately 7.30am on 15 February 2000, following the completion of final veterinary inspections and loading of the deer into the aircraft.

(c) Approximately 7.30am on 15 February 2000.

(2) (a) The Export Permit was issued in accordance with requirements of the Export Control Act 1982 and the Export Control (Animals) Orders. The approval was therefore granted following an assessment that:

- the animals complied with the health requirements of the importing country;
- the export animals were prepared at an AQIS approved pre-export premises;
- a “Notice of Intention to Export Live Animals” had been received from the exporter;
- each animal was sufficiently fit to undertake the export journey; and
- the travel arrangements and the preparation of the animals for shipment overseas were adequate for the health and welfare of the animals.

(b) Brisbane.

Australian Quarantine and Inspection Service: Exports to the Philippines
(Question No. 3491)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 6 March 2001:

(1) Is the Australian Quarantine and Inspection Service (AQIS) currently involved in attempting to facilitate access for Australian rural exports to the Philippines; if so, in each case: (a) what is the product Australia is seeking to export; (b) what was the original timetable for accessing the Philippine market; (c) what is the process being following in order to facilitate access; and (d) what is the current timetable for accessing the market.

(2) In each case, if there have been any delays in accessing the Philippine market, what caused the delay and what action has been taken to overcome the problem.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) Yes.

(a) In March 2000, Biosecurity Australia (BA) submitted technical information to Philippine authorities on Pinus caribaea hondurensis (Caribbean pine seed) from Queensland for planting purposes. The access request was initiated by Philippine interests.

(b) The timetable for accessing the Philippine market is dependent upon completion of a Pest Risk Analysis (PRA) by the Philippine Government.
(c) BA is awaiting the outcome of the Philippine PRA.

(d) See answer to (b).

(2) When asked, BA provided information to the Philippine Government in relation to the application. The Philippine Government’s requirement that a PRA be conducted in the case of Caribbean pine seed is consistent with standard international practices for proposals to import new commodities.

Employment, Workplace Relations and Small Business Portfolio: Parliament House Staff

(Question No. 3525)

Senator Faulkner asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 13 March 2001:

(1) How many Australian Public Service (APS) officers whose salary is being paid, either in whole or in part, by the department or any portfolio agency, are currently employed in any capacity in Parliament House (excluding all persons employed under the Members of Parliament (Staff) Act).

(2) For each of those persons currently employed in Parliament, and without naming those persons, please provide: (a) the capacity in which they are acting; (b) the senator’s or member’s office in which they are employed, or the functional area if they are employed in a parliamentary department; (c) the APS salary level paid to that person; and (d) the period of employment.

(3) Please provide the same details for any such persons not currently employed but who have been so employed at any time during the past year.

Senator Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:

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