### SITTING DAYS—2001

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>6, 7, 8, 26, 27, 28</td>
</tr>
<tr>
<td>March</td>
<td>1, 5, 6, 7, 8, 26, 27, 28, 29</td>
</tr>
<tr>
<td>April</td>
<td>2, 3, 4, 5,</td>
</tr>
<tr>
<td>May</td>
<td>22, 23, 24</td>
</tr>
<tr>
<td>June</td>
<td>4, 5, 6, 7, 18, 19, 20, 21, 25, 26, 27, 28</td>
</tr>
<tr>
<td>August</td>
<td>6, 7, 8, 9, 20, 21, 22, 23, 27, 28, 29, 30</td>
</tr>
<tr>
<td>September</td>
<td>17, 18, 19, 20, 24, 25, 26, 27</td>
</tr>
<tr>
<td>October</td>
<td>15, 16, 17, 18, 22, 23,24, 25</td>
</tr>
<tr>
<td>November</td>
<td>12, 13, 14, 15, 19, 20, 21, 22</td>
</tr>
<tr>
<td>December</td>
<td>3, 4, 5, 6, 10, 11, 12, 13</td>
</tr>
</tbody>
</table>

### RADIO BROADCASTS

Broadcasts of proceedings of the Parliament can be heard on the following Parliamentary and News Network radio stations, in the areas identified.

- **CANBERRA** 1440 AM
- **SYDNEY** 630 AM
- **NEWCASTLE** 1458 AM
- **BRISBANE** 936 AM
- **MELBOURNE** 1026 AM
- **ADELAIDE** 972 AM
- **PERTH** 585 AM
- **HOBART** 729 AM
- **DARWIN** 102.5 FM
CONTENTS

MONDAY, 2 APRIL

Fisher, Mr Andrew: Crosshouse................................................................. 23415
Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001,
Appropriation Bill (No. 3) 2000-2001 and
Appropriation Bill (No. 4) 2000-2001—
Second Reading ....................................................................................... 23415
Questions without Notice—
  Economy .................................................................................................. 23431
  Economy .................................................................................................. 23432
  Economy .................................................................................................. 23433
  Crime: Confiscation of Proceeds .......................................................... 23434
  Economy .................................................................................................. 23435
  Environment: Kyoto Protocol ................................................................ 23436
  Youth Allowance .................................................................................... 23437
  Murray-Darling Basin: Salinity .............................................................. 23438
  Economy .................................................................................................. 23439
Distinguished Visitors ............................................................................. 23440
Questions without Notice—
  Rural and Regional Australia: Policies.............................................. 23440
  Economy .................................................................................................. 23441
  Internet: Gambling ................................................................................. 23442
Answers to Questions without Notice—
  Economy .................................................................................................. 23443
  Environment: Kyoto Protocol ............................................................... 23448
  Murray-Darling Basin: Salinity ............................................................... 23448
Petitions—
  Political Asylum .................................................................................... 23450
Notices —
  Presentation ............................................................................................ 23450
Committees—
  Rural and Regional Affairs and Transport References Committee—
    Meeting .................................................................................................. 23453
Notices —
  Postponement ....................................................................................... 23453
Health: Dental Services .......................................................................... 23454
Environment: Kyoto Protocol ................................................................. 23454
Committees—
  Economics References Committee—Meeting ...................................... 23454
International Criminal Court: Statute ..................................................... 23454
Matters of Urgency—
  Kyoto Protocol ..................................................................................... 23454
Parliamentary Zone—
  Proposal for Works ................................................................................ 23467
Committees—
  Foreign Affairs, Defence and Trade Committee: Joint—Report ......... 23467
  Foreign Affairs, Defence and Trade Committee: Joint—Report .......... 23468
Budget 1999-2000—
  Consideration by Legislation Committee—Additional Information .... 23469
CONTENTS—continued

Maritime Legislation Amendment Bill 2000 and Electoral and Referendum Amendment Bill (No. 1) 2001—
  First Reading ........................................................................................................ 23469
  Second Reading ................................................................................................... 23470
Bills Returned From the House of Representatives ................................................ 23473
Committees—
  Membership..................................................................................................... 23474
Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001,
Appropriation Bill (No. 3) 2000-2001 and
Appropriation Bill (No. 4) 2000-2001—
  Second Reading ................................................................................................ 23474
Advance To The President Of The Senate and
Advance to the Minister for Finance—
  In Committee.................................................................................................. 23504
Administrative Decisions (Effect of International Instruments) Bill 1999—
  Second Reading ............................................................................................... 23504
Adjournment—
  OneSteel Limited............................................................................................. 23514
  Human Cloning ................................................................................................. 23515
  Economy: Surveys............................................................................................ 23517
  Road Safety: Motorcycle Safety Funding........................................................ 23519
  Grey Headed Flying Fox Colony: Melbourne Botanic Gardens ....................... 23521
Documents—
  Tabling............................................................................................................. 23523
Questions on Notice—
  Prime Minister and Cabinet Portfolio: Contracts to Deloitte Touche Tohmatsu—(Question No. 3252) ............................................................... 23525
  Prime Minister and Cabinet Portfolio: Contracts to KPMG—
    (Question No. 3269) ....................................................................................... 23526
  Veterans’ Affairs Portfolio: Contracts to KPMG—(Question No. 3285) ... 23528
  Prime Minister and Cabinet Portfolio: Contracts to PricewaterhouseCoopers—(Question No. 3286) ............................................................. 23528
  Veterans’ Affairs Portfolio: Contracts to PricewaterhouseCoopers—
    (Question No. 3302) ....................................................................................... 23529
  Prime Minister and Cabinet Portfolio: Contracts to Ernst & Young—
    (Question No. 3303) ....................................................................................... 23529
  Veterans’ Affairs Portfolio: Contracts to Ernst & Young—
    (Question No. 3319) ....................................................................................... 23531
  Prime Minister and Cabinet Portfolio: Contracts to Arthur Andersen—
    (Question No. 3320) ....................................................................................... 23531
Employment, Workplace Relations and Small Business Portfolio:
  Contracts to Arthur Andersen—(Question No. 3325) ....................................... 23532
Department of Industry, Science and Resources: Legal Advice—
  (Question No. 3378) ....................................................................................... 23533
Immigration and Multicultural Affairs Portfolio: Vehicle Fleet—
  (Question No. 3456) ....................................................................................... 23533
The PRESIDENT (Senator the Hon. Margaret Reid) took the chair at 12.30 p.m., and read prayers.

FISHER, MR ANDREW: CROSSHOUSE

The PRESIDENT (12.30 p.m.)—Senators may be aware that former Australian Prime Minister Andrew Fisher was born in the Scottish village of Crosshouse. I have received from the Chairman of the Community Council of Crosshouse, Mrs Esther Caldwell, a message congratulating us on the Centenary of Federation. She has included also a short story about the village and Andrew Fisher and a copy of the inscription on the cairn that was built there to mark the fact that he had been born and lived his early life there. It was brought to me by Mrs Caldwell’s daughter, Mrs Mary Nicholls, who was visiting Canberra recently. With the leave of the Senate, I would incorporate in Hansard the three documents I referred to.

Leave granted.

The documents read as follows—

In the year 2001

The Community Council & Villagers of Crosshouse, Ayrshire, Scotland, birthplace of Andrew Fisher, three times Prime Minister of Australia, congratulate the Citizens of that Country on the Hundredth Anniversary of the Creation of the Federation of the Australian Nation and take this opportunity to wish all Australians peace and prosperity in the years to come.

CROSSHOUSE - ANDREW FISHER

Crosshouse is a small rural community village situated 2 miles west of Kilmarnock Ayrshire. At present the village has approximately 2600 inhabitants, which has a history, of mining, and agriculture.

The village no longer has working mines and the land has been reclaimed to build houses and a large general hospital.

Andrew Fisher was born 1862 and spent his childhood and early days of adulthood in Crosshouse. He started to work as a miner at the age of 10 and by the time he was 17 he was elected as secretary of the District Mining Workers Union which he worked and campaigned for endlessly.

In 1885 at the age of 23, Andrew and his brother James emigrated to Australia. They sailed from the U.K. on the “SS New Guinea” and arrived at Brisbane where they gained employment in Burram coalfield. Andrew later settled in Gympie on the Mary River, where his political career gained him a seat on the Queensland State Parliament. In 1911 Andrew returned to Scotland and received the Freedom of the Burgh of Kilmarnock.

Andrew died in London in 1928 at the age of 66, and on the 50th Anniversary of his death, the people of Crosshouse acknowledged his great contribution as Prime Minister of Australia on three occasions. A garden of remembrance is located close to where he was born and adjacent to the banks of the Carmel Water where he played as a boy. A Stone cairn has been erected and inscribed in his honour.

INSCRIPTION ON ANDREW FISHER’S CAIRN

ERECTED BY THE PEOPLE OF CROSSHOUSE
IN MEMORY OF
THE RT. HON. ANDREW FISHER
BORN HERE ON 29TH AUGUST 1862
PRIME MINISTER OF AUSTRALIA 1908, 1910, 1914
HIGH COMMISSIONER 1916 - 1921
DIED LONDON 22ND OCTOBER 1928

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 29 March, on motion by Senator Ian Campbell:

That these bills be now read a second time.

Senator HOgg—The other day when I was speaking on the Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001, the Appropriation Bill (No. 3) 2000-2001 and the Appropriation Bill (No. 4) 2000-2001, I was referring specifically to the Defence Integrated Distribution System process, which has fallen into chaos because the government have failed to address this very important issue.

Senator West interjecting—

Senator HOgg—I note that Senator West is in the chamber at this stage, and I am now about to refer to the efforts of Senator
West and myself to pursue this issue at Senate estimates. On 23 November last year, Senator West asked some very pointed questions in estimates of the officers from Defence and received the response that, yes, in effect the process had slipped out, that it had been hoped the process would be determined by mid-2000, but here we were in late 2000—and here we are even now—and the process is still no closer to being determined. An interesting response came to a question from Senator West, and the particular question was:

Is it the case that the reason that this tender process has been delayed is that it will result in substantial job losses in regional areas?

Major General Haddad responded:

One of the issues in relation to progressing this is the impact on rural and regional Australia. Some of the locations that are in scope for this activity are in those areas where government has stated that Defence related employment should not be reduced.

When one looks at the critical issue here, one finds that it is rural and regional employment—which is very important—in a number of Defence sites throughout rural and regional Australia.

Also in response to a question by Senator West at the supplementary estimates on 23 November, Defence clearly outlined the sites which were covered by the DIDS project. There were a number in most states of Australia. In particular, it numbered the positions at risk as 1,392, and 1,113 were in the current staffing arrangements. A number of positions were at risk in various parts of Australia. Some of these sites that were within the scope of the Defence Integrated Distribution System project were mandated sites, where the successful tenderer would have to continue the operation, but others were not mandated. A number of those that fell into the rural and regional areas were of grave concern for this government, given the difficulties that are currently confronting this government electorally.

The matter was again pursued in the additional estimates on 21 February, so we have seen the project slip out even further. I raised it primarily because I have had a number of representations from people who will be affected by the outcome of the DIDS project. They are concerned for their own personal wellbeing and about the great uncertainty that surrounds this very project. In response to a question by me about the management review team—and this is a very interesting response indeed—Major General Haddad said:

The management review team has a role to play in assisting us in developing the statement of requirement because they are the people who understand what is going on at the local level.

Yet we have this project for $1.056 billion that is being put out to the marketplace for tender. The only basis on which it has any legs whatsoever has been the fact that the very people it seeks to put out of a job were absolutely essential to the process, so that they could advise the government—so that they could advise Defence—as to what was needed in the tender process. These people now, having been drawn into the process, are very concerned indeed.

It is fair to say that, when the issue was raised, Senator Ian Macdonald, who was the minister at the table, was filling in. The question raised by Senator West was:

Minister, is government committed to proceeding with the DIDS project, or is one of the options to not proceed with it?

In response, Senator Ian Macdonald said:

I suspect all options are on the table. The government will have to consider the assessments and then consider general government policy and make a decision.

I would say to the government that they have had long enough. The tenderers have now been asked to renew their interest in the tender process on at least two occasions. There is a substantial tender at stake here. There are a number of people’s jobs at risk, and there are a number of sites at risk. People are looking for some certainty and some assurance.

The government are baulking at making a decision on the process because of the impact on rural and regional employment, and that is understandable. We are not advocating in any way that those jobs should be lost to those people. But there should at least be some clarification as to what is happening in the process. Either the process is going to
proceed or the process is going to be dispensed with—as it should be—and the people who are working in the various distribution sites within Defence can have some certainty. If one looks at an email received by Senator West from another group of people at one of the distribution centres who are interested in this very issue, it is pertinent to look at a comment that was made about the effect on their lives and their lifestyles. After the 10 November 1999 meeting, they said:

From then onwards we have seen a growing escalation of low morale, stress related illnesses, people in general suffering a far poorer quality of life. People were left to struggle through Christmas not knowing if they would have a job to come back to. The Government surely has a moral and ethical responsibility to its employees.

Whilst this was a large and important contract, I believe that that is correct. There is a moral and ethical obligation to come to a conclusion one way or the other about this project, as I have stated.

The process has been troubled right from the outset. The management review team was put in place to assist in the process, which was embraced by the employees at the sites. The employees had some faith in the process, where they believed there would be proper consultation and proper feedback. As I have pointed out in my statements to the parliament on this matter, that management review team has met on only one occasion. Whilst there has been an acknowledgment in the estimates process that Defence have handled the consultative process by, as they say, using the ‘chain of command’ within Defence, that has not proven to be satisfactory at all. It has proven to be most unsatisfactory.

Of course, the other problem is the fact that the bidders have been asked to renew their bid on a number of occasions. One must ask the obvious question: what will happen if the government decide to ditch the project altogether? What compensation will the bidders seek for the time, effort, energy and money that they have put into this bid? I am sure that they will not let it pass, and I am sure that they want to see the whole process brought to a conclusion as quickly as possible.

The government’s actions have shown their indecisiveness in this. It has dragged on for far too long. It is a major project indeed. It is a project that Defence have claimed is important to them and the organisation of their warehousing and distribution. There have been productivity gains. There have been organisational gains made as a result of the involvement of employees in the process to date. I am led to believe that many of those will, of their own accord, assist Defence in better dealing with the handling and distribution of Defence material. At the end of the day, we are dealing with the lives and the wellbeing of a loyal and knowledgeable work force. They deserve to be treated far better by the government than they have been to date.

Senator Ian Campbell—That is politicising Defence.

Senator HOGG—I am not politicising Defence. They need to be treated better than they have been by the current government, and they need a determination of the outcome of the DIDS process as soon as possible. They do not need the tardy way in which the government have acted so far.

Senator BRANDIS (Queensland) (12.42 p.m.)—The consideration of the Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001, the Appropriation Bill (No. 3) 2000-2001 and the Appropriation Bill (No. 4) 2000-2001 gives me an opportunity to address an issue which is as central to the future wellbeing of this country as can possibly be imagined. That issue is Australia’s international trade. It is a matter of great concern—and it ought to be of concern to all mainstream parties in this parliament—that in recent times there has been an attack on Australia’s position as a major trading nation from the extreme Left of politics and, more importantly, from the extreme Right of politics, from the One Nation party. In the rhetoric of the moment, it has found form in an attack upon globalisation. Through the length and breadth of regional and rural Australia, in particular, and in the country towns and regions of my state, the message that has been broadcast on behalf of Pauline Hanson and the One Nation Party is that globalisation will make you poorer.
Nothing could be further from the truth. Australia has always been a trading nation. The economic prosperity of this country has always been largely a product of our international trade. As the world moves inevitably, inexorably and unstoppable towards a globalised market, trading nations like Australia, which has tremendous comparative advantages not just in the agricultural and mining sectors but in the service sector and in certain niche areas of the manufacturing sector, are enormously well positioned to be a beneficiary of the globalisation of trade.

That is particularly so because of the region of the world in which we live. The volume of international trade across and among Pacific nations, including the United States, has outpaced the volume of international trade across the Atlantic and among European nations. The most important development that the early part of the 21st century will see in international affairs is the movement from an Atlantic world to a Pacific world. Australia is a country whose laws and commercial practices have largely been inherited from European origins and who now finds itself on the very rim of the most commercially active part of the globe. Australia is superbly well placed to be the beneficiary, not the victim, of the movement from an Atlantic world to a Pacific world.

There could be no clearer indication of that than the election of President George Bush in the United States. President Bush can fairly be regarded as the first American President who is not an Atlanticist. He is the first American President whose focus, experience and interests are more directed towards East Asia and the Pacific. His focus is more directed to the west of America than to Europe and to the east of America. He is more focused on the Pacific than the Atlantic. President Bush has already declared in his policy statements—and a number of his senior cabinet appointments reflect this—that he believes in the liberalisation of world trade and the acceleration of the rate at which world trade is liberalised. That ought to be music to the ears of all Australians.

Probably the most important driver of this is the rise of China. A common observation for many years has been that the rise of China as a major trading power would be the economic engine room of East Asia in the 21st century. That is beginning to happen. It is to be hoped that China will soon become a member of the World Trade Organisation. If the Chinese markets are opened to the other trading nations of this region, and indeed to the world, the economic power that is already in evidence in the East Asia-Pacific region will accelerate even more sharply. Australia can only be the beneficiary of this so long as we keep our doors, our markets and our minds open.

The closing of minds and the closing of markets have become the mantra of the extremes of politics in recent years. Nowhere is that more so than in some areas of my state, driven by the One Nation party. I say to those people: if you succumb to the siren calls of Pauline Hanson for the simplicities of a world that no longer exists and can never be returned to, you will make yourselves poorer. The people in regional and rural Australia will only be impoverished if the One Nation party’s false nostrums ever take effect. Pauline Hanson’s One Nation party has nothing to offer but poverty.

As prices in key agricultural commodities such as beef and wool have lifted in recent months, and as world demand for the goods and the products that regional and rural Australia produce has increased, the end of the rural recession that has afflicted some parts of Australia is in sight. In 2001 we may well see a situation where the prices in certain key commodities reach highs that have not been seen for years. It will be a very tangible demonstration to the people who live in those parts of Australia that their future is not a different future from that of city people. It is the same future. It is a future that depends upon Australia being a global player with its doors open and not a provincial minded country with its doors shut. Pauline Hanson’s One Nation party’s mantra offers no hope to people who live their lives and earn their livelihoods on the back of a thriving export sector.

We sometimes lose sight of how quickly the export sector of the Australian economy has grown, so I will record a couple of statistics: only 10 years ago, in 1989-1990,
Australia had a total of $60.8 billion worth of exports on all accounts. In 1999-2000, the total of Australian exports on all accounts was $125.7 billion in constant prices. The volume of Australian exports over 10 years has more than doubled. That is a point made very strongly by economic journalist Stephen Koukoulas, who said in this morning’s Australian Financial Review:

The steady improvement in Australia’s trade position appears likely to continue ………

The trade and current account data are likely to be the good-news stories of the economy over the next year.

Recent trends in international trade data suggest that monthly surpluses of $500 million or more might be commonplace over the near-term ………

The February surplus on international trade in goods and services was a healthy $389 million, continuing the rapid trend improvement evident since 1999.

He refers in particular to the recovery from the Asian financial crisis of our most important markets in North and East Asia, especially the Japanese market. Koukoulas goes on to say:

If international trade surpluses of about $500 million a month can be sustained, the current account deficit should shrink to levels not seen since the 1970s.

………..

There is an outside, but still very real, chance that the current account will go close to surplus ………

For the current account to move to surplus, which Australians have not seen since 1972-73, export growth needs to retain strong double-digit annual increases...

He concludes:

For now, however, the trends on international trade and the current account deficit remain very favourable. Expect to see some positive news on these fronts in the months ahead.

That sort of optimistic, up-beat assessment of the prospects of Australia’s exporters, which spells nothing but good news for regional and rural Australia, is only achievable in a nation that has its markets open to the world and the world’s markets open to it. As succeeding rounds of WTO trade negotiations have gradually and inexorably driven down trade barriers among member states, there have been some periods of difficulty in making adjustments, because every nation’s economy has some sectors which are more sensitive to world trade than others. But, overall, nations such as Australia, with major mining, agricultural, service and niche manufacturing net exporters, have been the beneficiaries of that process—and long may it continue.

To anyone, whether they be from the crazy Left or from the One Nation Party, who says that globalisation is not a good thing, let them look at the raw facts of the prosperity brought to Australian exporters by the rise in our exports year by year, the expansion of our markets and, now, the rise in our commodity prices. Therein lies the future of this country as a global economic player in the most economically vigorous region of the world.

Senator ALLISON (Victoria) (12.57 p.m.)—I rise to speak on the Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001 and related legislation. In the first instance, this bill gives me an opportunity to reflect on the coalition government’s failure to meet the needs of Australians, in particular in the areas of disability and aged care. Over recent months, the anger of Australians with a disability and those who care for disabled family members or friends has become very evident. That anger, of course, has been directed quite rightly at the coalition. It arises from a range of government policies that disregard the needs of people with a disability, and it extends to the absurd views expressed by the Howard government in the lead-up to welfare reform to the effect that people with a disability do not presently participate fully in society and that they need to be coerced into social and economic participation—in other words, you must work for your disability support pension. Of course, this is the same pension that was only granted to you in the first instance because of your inability to work.

I have attended many meetings of disability volunteers and interest groups and seen first-hand that, despite intensive disadvan-
tage and challenge posed by a disability, people do indeed already participate as valued members of Australian society. I think Australians are angry at the contraction of services to disabled people, at the lack of funding for unmet need, at the lack of choice and availability of suitable care and accommodation facilities and at a government that is essentially ripping money out of disability and respite care with no regard for the families who are obliged to pick up where the government has left off. I would like to take this opportunity to identify the areas of declining service: firstly, in the disability sector, the Australian Democrats were pleased to see that the McClure welfare reform report gave recognition to the costs of disability and recommended that addressing the costs of disability was essential to a person’s participation in society.

Many people with a disability cannot undertake everyday tasks that most people take for granted—they may require help to dress in the morning, for example—and disability support payments have never properly taken that into account. To get to their job or voluntary activity, people with a disability will often be required to take an access cab, because even if they could use an accessible bus or train there simply are not sufficient numbers to rely on them. The nature of a person’s disability may prevent them from undertaking basic maintenance tasks around the house—things like cleaning the gutters, mowing the lawns or removing rubbish. The disability support pension is, for many people, inadequate to meet those basic living requirements, yet we continue to hear government rhetoric that people on disability support pensions must be coerced into participating more in society. Where is the government’s commitment to meeting the cost of disability to allow those people to participate?

In a recent Sunday media appearance, echoing commitments made before the 1996 election, the Prime Minister told the Australian public:

I want to give this assurance—I am not going to lead a government that is going to make it harder for the poor in Australian society. We want to make it easier ... and nothing I will do, nothing this government will do in this area—is going to hurt the poor.

How can the Prime Minister reconcile this statement with the actions of his government, which have materially hurt some of the most disadvantaged in our community, particularly the disabled? Those actions include cutting six per cent from job programs for the disabled, cutting 50 per cent from workplace modification funding, cutting annual wage subsidies for people with a disability, cutting on-site support for the disabled and cutting one per cent per annum from disability employment organisations in the name of efficiency dividends. I have spoken with a lot of these agencies, and they tell me that they have already pared their costs to the bone and that this one per cent annual cut is starting to bite, in a very severe way, into the services they can provide. There are cuts to the supported wage program, and administrative breaches are imposed on employed people with a disability—without regard to their personal circumstances, including psychiatric conditions.

For those for whom employment or social participation is limited by their disability, the burden of care frequently falls to family members. I receive heartbreaking letters on a regular basis from constituents who tell me that their eight hours of respite per week have been cut back to two, barely giving them the time even to write to their parliamentary representative. For many of these people, their condition is so severe that they need extensive lifelong care, and families dealing with a lifelong burden of care suffer from fatigue, stress and sheer burnout.

What is the government doing to address the needs of the 8,000 carers who are over the age of 65 and continue to care for severely disabled persons in their families—thereby saving the government millions of dollars by providing that care in their homes, unrewarded and without access to respite? This is not the only government in recent times to fail to acknowledge that. I think it is fair to say that in our society we have never properly supported people in those situations. Does the government really believe that the inadequate payment of a $75 carer allowance per fortnight goes any way to pro-
viding carers with the rest and services they need? Of course it does not, and unmet need continues to grow. Ageing parents caring for their child with a disability and those seeking access to a day program were looking to the Howard government for help and were instead met with a reduction in services.

The ABS has identified 13,000 severely or profoundly disabled Australians as being in critical need of accommodation or respite services, and those accommodation needs are not being met. Seven thousand carers are without access to respite, and up to 70,000 severely or profoundly handicapped Australians need access to recreational activity to give meaning to their lives.

Only late last year a leading carer of the disabled resigned after more than a decade of futile protest about disabled people being forced to live in appalling conditions in supported residential services accommodation in Melbourne. By failing to properly direct federal government funding to these people who are unable to care for themselves, people are obliged to hand over all of their pension to live in squalid conditions because they have nowhere else to go, and they are often intimidated by proprietors if they complain. Disabled people who require supported residential services have, we think, a right to receive quality accommodation and care.

The list of defunded disability services goes on, including groups such as the Citizen Advocacy NSW Association, an internationally recognised state association umbrella group which oversees the delivery of advocacy programs to volunteers who are matched with an intellectually disabled person, with a view to providing advocacy for that person for life. By cutting funding to advocacy groups, the coordinated provision advocacy services and the maintenance of good advocacy practice will be lost. Intellectually disabled people have been the big losers.

The rhetoric in the welfare reform report about the focus on individual consumers rings a little hollow in the face of findings—such as those in the Baume review that 60 per cent of the potentially eligible population had no access to any Commonwealth disability services. Among the 40 per cent who did use Commonwealth services, the level and quality of services tended to be influenced by location and historically determined funding arrangements rather than by the needs of the person concerned. If the government is serious about the underpinning of the McClure report, it will restore the funding it has cut and pay a bit more than lip-service to the costs of disability. It simply is not good enough to discard for the present the threat of financial sanctions for breaches on disability support pensions while failing to provide funding to enable disabled people to participate in employment, education or other social activities.

I now want to turn to aged care and pose the question: what is the government doing to address the shortage of more than 9,350 nursing home beds across Australia and the waiting lists which continue to grow? There are now massive shortages of aged care beds in many regions. I receive letters from constituents telling me that their elderly family members spend weeks in hospitals not designed for aged care, because of a shortage of places. I was in Alexandra a week or so ago, and a third of the places in that small hospital are taken up by people who are on the waiting list for aged care. Even if approvals are given—as the minister made much of recently—these do not address regional needs. Furthermore, this does not mean the places are ready. One major developer recently received 60 low care bed licences, but this is for a facility that is not even on the drawing board. I believe it will take well in excess of 12 months for those aged care places to come into existence. Aged Australians will be required to wait for years for those facilities to be built, even if they are lucky enough to be allocated in their area in which they live. People are waiting longer to get into nursing homes and hostels.

Currently 16 per cent of Australians are waiting more than three months to find a nursing home bed—an increase from three years ago when four per cent of people had to wait that long for a bed.

The government’s policies disregard the sense of community that older Australians gained from living in an area and, rightly, wanting to remain as part of that community,
even if unable to live unassisted. Often they have reared their family there, they have lived their life there, they have a network of family and friends there and they want to stay there and live out the remainder of their life. Aged care facilities should be the focus of a community. They should involve service clubs and local volunteers and they should be the pride of the community. But, more importantly, these facilities should provide places for people who come from that community. Nonetheless, I continue to receive representations from citizens who are required to move away from their community, across the other side of the city or many hundreds of kilometres from their rural or regional town, because there is no allocation of places in their area.

So, despite the minister’s rhetoric on recent allocations of aged care places, it remains the case that many areas across Australia, particularly rural and regional areas, continue to report a higher number of aged people per capita and also fewer aged care places than average because of the unavailability of purpose-built sites. In my home state of Victoria there are fewer operational aged care places than there were when the Howard government came to power in 1996. That is one reason why the people of Australia have lost faith in this government. But we can all find reasons for there being fewer aged care places, including the Victorian state government’s failure to provide nursing homes.

We are also concerned about the inadequate levels of skilled staff in some aged care facilities. Skilled staff are not being retained, because they receive less than their counterparts in other areas of health care. This is a very serious problem which is going to get worse. In particular, we are concerned that the inappropriate ratio of registered nurses to aged care assistants means that residents’ nursing and personal care needs in some places are not being met. The Australian community are demanding that those who care for the elderly be fully trained and accredited to provide the level of care needed for residents. The community want to know that they are going to get a service from people who are qualified and skilled. While the accreditation process will go a long way to ensuring that lack of care standards are exposed and prevented, focus on accreditation alone will not provide the essential career path or attract the right caregivers in the industry. This must be addressed via curriculum building, skill building, career path development and improved conditions of service.

Finally, I would like to make the point that more than 1,000 young Australians, because of the severity of their disabilities, are obliged to live in aged care facilities because there is not a suitable residential care facility for them. They languish in these facilities. This is not a reflection of the level of care provided but simply that they are being denied opportunities to socialise with people their own age, listen to their own style of music, if necessary, and participate in activities which reflect their youth. We have seen no interest on the part of this government in taking action in this area. It is a typical buck-passing exercise: the minister for disability services says it is not her brief, the Minister for Aged Care says that it is a disability matter and jointly those ministers say that it is really a problem for the states. I think it is time we saw something happen on this issue. It is incredible to me that young people with disabilities and chronic illnesses, such as MS, find themselves in places for very long periods of time where they are surrounded by very frail, often demented, old people. They are not getting adequate services. The message I want to put again today—and I have risen in this place many times to say this—is that we need to see some action on appropriate care for young people with disabilities. I urge any honourable senator to visit such a young person in a nursing home and see what sorts of conditions they live in and how inappropriate it is socially for them to be surrounded by people who are very frail and to be there for many years.

Senator CARR (Victoria) (1.13 p.m.)—Today I would like to speak about some of the more regressive aspects of the government’s current educational policies, particularly with regard to secondary education. Commonwealth education policy should play a vital role in determining whether or not class divisions are reproduced
sions are reproduced or ameliorated in this country. Unfortunately, the government’s conservative education policy has failed to meet that criteria. A conservative education policy has the general effect, in fact, of entrenching those current relations of power and privilege. Ideally, public policy should be designed to ensure that the barriers to equality of opportunity, access and attainment are removed. That requires an acknowledgment by government of the existence of socioeconomic and other disadvantages. It also requires an acknowledgment by government of the need to specifically allocate resources to those areas of need. You will look in vain to the Commonwealth to find any attention being given to those policy objectives.

One of our foremost educational research bodies, the ACER, has recently prepared a report that appears to play down the impact of class in the question of educational participation. The ACER’s longitudinal survey of Australian youth is reported in a document entitled Patterns of participation in year 12 and higher education Australian: trends and issues. The report argues that inequality in Australian education is declining. It argues in a press release that the findings would lead to a re-evaluation of what is understood by the term ‘disadvantage’. A summary of the report’s findings include the following: year 9 students whose parents work in higher status occupations are more likely to continue to year 12, but the importance of parental occupation has declined since the early 1980s; year 9 students from more educated family backgrounds are more likely to remain at school until year 12, but these differences have also been declining since the early 1980s; students living in non-metropolitan areas in year 9 are less likely to participate in year 12 and also in higher education; and occupation, family background and the school type and achievement have become more weakly associated with participation in higher education over time.

You would have thought that these sorts of policy examinations might have led Dr Kemp to seize upon this report as highlighting his view that the link between class and education has weakened. But he has failed to do so, and I think he has failed to do so for very good reasons—namely, that there is something seriously missing from the ACER’s report findings. What the ACER study has failed to identify is the distinction between participation and attainment in education. Throughout the 20th century the school leaving age steadily increased, but it would be a very brave person who would suggest that changing the minimum working age in itself abolished class distinction in this country.

For me, the ACER findings simply do not ring true. In Academic success and social power, published last year by Professor Richard Teese, there is an examination of educational outcomes as well as participation rates. That study exposed the link between social class and success at school. It revealed that in the outer west of Melbourne, for example, more than 40 per cent of boys and more than 20 per cent of girls failed VCE English. In the working-class north-west of Melbourne, more than half of all boys in government schools failed the easiest year 12 mathematics level and more than double failed compared to the rate of failure of students in government schools in the city’s wealthier inner eastern suburbs, giving them nearly 10 times the failure rate of boys in non-Catholic private schools. Here we have an empirical study that indicates academic attainment and social affluence are closely linked and that further education is a key to the socialisation process of reproducing social inequality.

In his study, Professor Teese told us that, while there have been substantial improvements in educational opportunities and participation, it has occurred without a commensurate improvement in the outcomes for those of low socioeconomic status. It also demonstrates that it is not the intellectual demands of the curriculum that are problematic; rather, it is the failure to understand how the weakest students learn and the failure to control how power is exercised by the strongest students and what Professor Teese terms their ‘institutional patrons’. Without reforms, social inequality would not be overcome as an effect on education.
In a number of other studies we have seen a similar pattern being reproduced. I suppose the members of the Senate inquiry into Aboriginal education have a very clear example of how inequality can be seen in this country. My experiences travelling to different parts of this country on work for the Senate inquiry demonstrate to me that, in absolute terms, there is massive inequality in social conditions, life opportunities and educational access. For instance, 73 per cent of non-indigenous students stay on to year 12 but only 32 per cent of indigenous students do so. In some parts of the country the successful completion rate of year 12 is half that of non-indigenous students. Only 65 per cent of indigenous students attend secondary schools compared to the non-indigenous rate of 85 per cent. The pass rates for indigenous students in vocational education and training languish some 27 percentage points behind vocational education students in general. That is just the educational picture.

If one looks at the overall social and economic disadvantage mirrored in a whole range of other measures, one sees that the level of inequality is quite profound. If you look at indigenous communities, the infant mortality rate is between twice and three times the national average. Indigenous life expectancy is 15 to 20 years lower than that for the rest of the national population, and the gap is actually increasing. In some states the rate of imprisonment for indigenous people is 10 times that of other persons. In that context, one can understand why children in families affected by those sorts of social conditions obviously are not able to do as well as students in more affluent communities.

One only has to read papers like the Melbourne Age, which was once a journal of great record but at least still occasionally draws our attention to some of the issues confronting this country. The Age has in recent times drawn to our attention the dreadful situation that is occurring with a community such as Maningrida, which is affected by an alarming rate of tuberculosis. Put simply, it is a disease of poverty. We have in Maningrida a TB infection rate which is 100 times the national average. It strikes me that, in those circumstances, one can understand why children in that community may not do as well as others. We talk a great deal about the Internet and education. We talk about how this is going to be the panacea for a number of problems faced by the education sector in this country, but how many Aboriginal communities have faced the situation where their basic telephony infrastructure is so poor that the whole community relies upon only one line? In those circumstances one could see enormous pressure placed on that one telephone line. You could not expect necessarily to give the first priority to the school and to tie up that line for a good deal of the day.

Such conditions are the starkest examples of the inequality in Australia, but they are not the only ones. ACOSS have looked at the link between work casualisation and inequality. There has been a 20 per cent drop in the number of people in full-time jobs since 1970. An increasing proportion of families with children have no person in the family actually employed, and there are increasing numbers of Australians living in poverty. What is happening from the Commonwealth point of view in terms of provision of equality of opportunity for the educational needs of the children of such families? I asked the Commonwealth department of education whether there was any research being undertaken by the Commonwealth into the links between these social conditions that Australians are living in and educational attainment. I was advised there was no specific research being undertaken on these issues. Without such basic research, we know little about what is actually occurring in terms of the social and economic disadvantage faced by communities and the impact that that disadvantage has on school attainment rates. These areas need more than national benchmarks. It is simply not good enough to say, ‘Here we have a benchmark. You’re not meeting it. You’re a failure.’ We have to look behind those issues and look at the social conditions in which people live.

Schools with a high proportion of students who have to struggle with parental unemployment, unstable or inadequate accommodation, family breakdowns, health problems,
poverty, and a home culture that does not necessarily support the enormous energy that is required for a long-term commitment to education obviously face greater obstacles in offering students equality of opportunity than schools in other communities. Those obstacles must be acknowledged by the Commonwealth government. Resources must be made available to schools, teachers and parents to assist them to overcome those disadvantages. However, this Commonwealth government deliberately favours the elite, the wealthy and the powerful, and seeks to entrench privilege by a funding formula that blatantly discriminates against public education and against those in greatest need.

There are three main elements in Dr Kemp’s approach to education. The first is an ongoing propaganda exercise to denigrate public education and create a false sense of panic about what he sees as a crisis in Australian public schools. Attempts are constantly being made to encourage parents to believe that the only way their children are going to get a decent education is if they move them to private schools. Standards of literacy, numeracy and teaching are constantly called into question and denigrated by this government. Secondly, state governments are starved of funding for public education, and have been throughout the history of this government through such policies as the EBA. Thirdly, this Commonwealth government has moved towards a blatantly unfair, unjust and divisive funding formula for non-government schools, which has raised serious issues about the government’s commitment to public education. These three planks form what I see as the Howard-Kemp agenda for Australian education. It is an agenda driven by an ideological fervour for market forces and for so-called user choice. Dr Kemp has long held the view that public education is essentially the responsibility of the states and non-government education is essentially a role for the Commonwealth. Under his policies, the Commonwealth share of public funding to government schools has moved from 43 per cent of total Commonwealth government expenditure on schools down to 34 per cent—down from 43 per cent in 1996 to 34 per cent in 2004, quite a dramatic shift in priorities with respect to government schools and quite a significant shift in resources being provided to non-government schools.

We have seen reaction from many of the educational experts across this country. Dr Ken Boston, the head of the New South Wales education department, pointed out to us last year that, the way these policies are going, government schools would:

... cease to become inclusive. They would no longer embrace a cross-section of society. They would decline into a safety-net provision—a lesser network of residual schooling for children of the disadvantaged and unaspiring.

A whole series of measures support that action. Let us look specifically at the impact of this government’s policy. This has been an increase in real terms of 7.9 per cent in the funding that is made available specifically to non-government schools, but for public education effectively no real increase at all. After taking away the effects of price adjustments and enrolment growth, there has been no real increase for government schools but an almost eight per cent increase for non-government schools. When we look at the detail of the effect of the act that was passed through this parliament last year, we see that Geelong College will receive an increase of 272 per cent on a per capita basis of their secondary students, a total of $2.3 million. Geelong Grammar will receive an increase of 249 per cent per capita for their secondary students, an increase of $2 million. Haileybury College in Melbourne will receive an increase of 283 per cent per capita for secondary students, an increase of some $2.9 million per annum. That is per annum; I want to emphasise that. PLC will see an increase of 214 per cent per student, or $1.8 million per annum. Wesley will receive an increase of 167 per cent per annum, or $33.9 million per annum for the school as a whole. The poorer non-government schools will receive an increase of only $179 per student.

Under this funding model the Commonwealth government seeks to reward millionaires. Commonwealth government policies treat millionaires as though they are paupers. We have seen 65 per cent of non-government schools—that is, Catholic schools—in the education system opt out of this model altogether because it is so blatantly unfair and
unjust. Yet 20 per cent of the wealthiest, the best resourced and the highest fee charging schools are receiving huge windfalls in Commonwealth funding under this government’s policies. The government is claiming that this is a device which will improve the situation for poor people, because it will allow them to send their children to these non-government schools. It is an extraordinary proposition. Schools are charging fees of up to $14,000 a year but we are seeing a substantial increase in those fees, despite these windfall moneys going to the schools. And yet we are told that these schools suddenly will be more affordable for people of very modest means. Quite clearly that is a nonsense. This government claims that working people have the freedom of choice to send their children to these wealthy private schools. This is a nonsense, because schools that are able to charge up to $14,000 per annum per child and $20,000 per annum per boarder simply are not accessible to average Australian families.

This government also says that, somehow or other, it can fund all conceivable choices that people make. We know that is a nonsense. We know that governments simply do not have the resources to fund all conceivable options when it comes to these issues. Labor support the principle that people have a right to choose between particular schooling systems. What we do say, however, is that consideration has to be given to funding on the basis of genuine need. Funding cannot be on the basis of privilege, of power and of social prejudice, which is the basis on which this government operates. It was the Whitlam government that said that there ought be responsibility taken by the Commonwealth to fund schools on the basis of need. It was recognised that, no matter what school a child attended, as a country we owed them an opportunity to obtain a decent education. All governments, Liberal and Labor, acknowledged this principle up until 1996. Under Dr Kemp, that principle has been abandoned. The primary responsibility of government, which traditionally has been to defend a strong and vigorous public education system, has also been abandoned. The inequality gap between the rich and the poor has increased. The situation has become more unfair and more unjust. The inherent inequalities in our society are being exacerbated. Merely increasing participation rates does not of itself alter those inequalities. Our public policies should be geared to the realities of our society if we are serious about changing the social conditions that breed these inequalities. (Time expired)

Senator LEES (South Australia—Leader of the Australian Democrats) (1.33 p.m.)—
The issue I want to raise today as we discuss the Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001 and related bills does not just relate to expenditure on the environment—expenditure, one would presume, to protect our environment—but also expenditure on other areas, including the tourism budget. I particularly want to relate the failure of Forestry Tasmania to adequately protect areas that currently are being logged. The particular area that I want to emphasise today is Mount Arthur, an area just out of Launceston. My concern is all the more pressing when government instrument- alities such as Forestry Tasmania fail to ensure that proper practices are followed and that the natural values of the land under its management are properly protected.

I was able to spend some hours the week before last out in this area. I was asked by a group of local residents very concerned about a raft of issues, particularly the protection of the water supply for a number of the smaller communities in this region of Tasmania—but also, ultimately, for Launceston—to go out with them to see this destruction first hand, in particular the destruction of an area known as coupe 126C. What I saw can certainly not be called ‘forestry practice’.

To me, forestry activities by a department under the guise of best forestry practice relate to the protection of the forest for a variety of uses; in some cases, yes, for ongoing timber harvesting, but always with a mind to the protection of the natural environment and the value of the forest. What I saw was wholesale destruction of near pristine rainforest to plant crops. Yes, in this particular case the crop to be planted is trees but the devastation that I saw was the same as if one were going to plant a field of wheat or barley. The complete removal of anything and
everything by way of native vegetation was just the same as if you were planting a raft of different crops. In fact, the devastation in the area is so complete in some places that you could barely tell what particular species were being bulldozed into piles ready for burning. The only possible way to proceed here is simply to stop the logging throughout this entire area, go back to the drawing board, get out the basic code of practice agreed to in 2000, look at its intent and make sure it is being followed. The Forest Practices Code 2000 must be held in one hand as one walks through this area. Therefore, I think it is not too sudden a call for me to say here today that we must stop logging in this area until we assess the damage that is being done.

The complaints about the logging in this area have been referred to the minister’s office. I understand that Senator Hill is still in the process of asking further questions of Forestry Tasmania as to whether or not the code is being breached. But there certainly is an amazing lack of transparency as to how— or, indeed, why—permits were ever issued for much of this area. It is a very steep area, crisscrossed with streams, yet somehow permits have been issued. As you go through the area you see the myrtle, the sassafras and the tree ferns which have been bulldozed. As you wade through the mess you see in some cases logs, obviously of furniture grade quality such that they could have been used productively, much of which has been piled up for burning but some of which has simply been put on a truck and sent to the chip-mill.

There has been no thought of any endangered species, particularly the Mount Arthur burrowing crayfish and also some of the bird species that rely on these forests, such as the wedge-tailed eagle. One means of surveying how many wedge-tails there were in this area was by helicopter. I can just imagine how many wedge-tails would go out to notify their presence when a helicopter was overhead. Basically, Forestry Tasmania is hell-bent on replacing as much of the rainforest as it can as quickly as it can, using whatever means are at its disposal, including replanting with Eucalyptus nitens, an imported species from Victoria.

The devastation that I saw was most depressing. Despite assurances from Forestry Tasmania, local people are concerned for the area on a number of fronts, including on water catchment, on the tourism value, on recreational space and on the pollution of the water supply with various baits, such as 1080 poison, as well as fertilisers. But none of these seem to matter to Forestry Tasmania. With all of the complaints and with all the arguments that have been put, Forestry Tasmania has given few assurances, shrugged its shoulders and just gone ahead with the logging operation, arguing that it is in fact in compliance with requirements, which is nonsense. I was able to walk through much of this area in a number of places—but only just. It is very steep. It is crisscrossed with streams, which was particularly evident as there had been some substantial rain, and I could see the siltation occurring. In some places, the streams themselves have actually been used as logging roads—forget about the 10- or 20-metre buffer zones.

Some of the areas, when you look at the maps, were actually within the area that was a part of the reserve that this government signed off on with the Tasmanian government. Under the RFA, the area on the upside of the Mount Arthur road is actually very clearly within the original agreed area that would be protected. Yet even that area has been wholesale logged. It was called the “annex to 126C”. The only good news in all of this is that the clear-felling of that area has temporarily ceased, but there is still a lot of work to be done before we can be assured that there will be some protection for that very steep slope.

Associate Professor Brian Finlayson from the Centre for Environmental Applied Hydrology at Melbourne University visited the area and walked through it. If I get time, I will read some of his comments. He found a raft of different problems, including problems relating to water yield. His conclusion was based on data available from smaller scale clearing areas than this one and from revegetation in central Victoria with another eucalyptus species. He said, very clearly, on the basis of exploitation and data from these studies that there would be a significant re-
duction in water yield from Mount Arthur. He also looked at water quality, the treatment of the streams, buffer zones, erosion, road construction and chemical contamination. As I said, I will read some of his comments if I get time.

There are threatened species in this area, particularly the Mount Arthur freshwater burrowing crayfish. Under the practice code there is a requirement that this be notified. A notification form for the proposed timber harvesting plant should have been submitted to the Forest Practices Board for approval. The local community have been chasing this for some time. They have been unable to ascertain whether or not this occurred and, indeed, it is most likely that it did not occur, that it was simply ignored. The hydrology survey, it seems, was absolutely inadequate as far as assessing the coupe was concerned. How can we say to the community with any confidence, ‘Yes, the RFA process is working and everything is being followed,’ when there is simply no transparency? The public cannot have any faith in the government departments responsible for land management and for the protection of our environment if there is not some transparency. I think this and, indeed, forest practices in Victoria are going to become bigger issues because of growing public concern about the long-term impact on them, as well as the environment.

How exactly the decision to clear-fell this area and replace it with Eucalyptus nitens was made is something that, hopefully, Senator Hill will be able to ascertain, and we will be able to have that information in the not too distant future. Most senators would be aware that, when you wholesale clear an area and plant a eucalyptus species, there is a significant impact on water catchment, yet there seems to be no study whatsoever into the likely impact of this in such huge areas. There are already significant plantations. You cannot see them from Launceston—the three rows of hills and mountains in the distance appear to be relatively pristine—but if you flew a plane over them, the minute you got over the top you would see that the side away from Launceston is now almost all plantations. The impact is already being felt in many of those smaller communities. How the area ever became designated as a disturbed forest is another issue. It seems that aerial photographs were taken and, because in 126C there was a small area in one corner that had been disturbed and had been selectively logged in the past, and another very small patch—the size of a 5c coin on a sheet of A4 paper—appeared to have been disturbed, the whole area was designated as disturbed forest and therefore open to clear-felling. The people of Lilydale, Lebrina, Karoola, Underwood, Wyena, Patersonia and Myrtle Bank have all been assured that everything is fine, but they themselves know that that is far from the truth. More and more people from these communities not only have a feeling of being left out of the process but feel that unless they get active—and get active very quickly—the damage is going to be irreversible. Some of them have already been forced out of the area. Pressure is being applied particularly to those who are organic growers because the run-offs from the use of fertilisers in particular is likely to have a significant impact on them.

I will quickly go through some of the other comments that Professor Finlayson made after he looked through this area and left with the local community. I will quote from a paper prepared after his visit. In his comments on water yield he said:

The scale of the clearing and replacement (with) plantations in this area is so large that the effects on the water yield have the potential to be tremendous. This extensive clearing has been conducted without sufficient data and study, ie no small scale pilot areas established and monitor for changes in water yield. Therefore, any conclusions drawn—

and he makes this comment about his own conclusions as well as those of Forestry Tasmania—

could only be speculation. Given the nature of the operation—

he is looking particularly at the clearing of forest which has taken millions of years to establish—

any impact on water yield will be long term ...

On water quality he says:

The effect on water quality by clearing and plantation establishment in this operation will take two forms—impact from run-off (carrying sedi-
ment thereby increasing turbidity) and impact from use of chemicals and sprayed herbicides.

Here are some comments from his visual inspection of the area, quoted directly from this paper:

Throughout the coupe and surrounding areas, there was evidence that streams and water carrying depressions had been ignored and disturbed. This was particularly noticeable in the area known as the variation to the FPP for Coupe LI 126C—also known as the annex—

In the section about the Mt. Arthur Road, at least 4 streams, currently flowing ... were identified.

He goes on to talk about insufficient buffer zones. Indeed, he stresses:

Throughout the coupe, streams identified on the FTP were not afforded appropriate exclusion zones. The nature of these streams high in the catchment is that they cover a broad area, with ill-defined banks and boundaries. Again, the boundaries of the streams can be ascertained through studying the vegetation. Stream boundaries change according to the seasonal conditions. As the soils become saturated during wet periods, the water table rises and the boundaries of the water courses expands and widens. In some cases the stream itself grows in width from a narrow channel to 20 or 30 meters wide.

And he looks at some specific examples of where all of this has been ignored, all of the evidence on the ground has been ignored, and they have simply been bulldozed. He also comments on the provision of roads through this area and the provision, with that roading process, of drains and areas for run-off. He says:

The Mt. Arthur Road was not adequately constructed, being flat, with no table drains. Existing culverts had been damaged and/or covered. According to code, all forestry roads must be shaped and table drains constructed, with frequent exits for dispersion of water into areas of undisturbed vegetation, where most of the sediment from the run-off from disturbed areas could be trapped and collected. There were insufficient exits, and undisturbed patches of vegetation, to enable adequate protection for streams. Instead, all run-off water would be expected to build on road edges, collecting at the lowest points ... and flow directly into the streams systems.

Basically, he is saying there are two effects: firstly, the water is going to become contaminated with silt, requiring filtering if it is for human consumption; and, secondly, the fine layer of sediment is going to be deposited throughout what little remains of the natural vegetation, clogging up the streams, and many of these species are not going to be used to having their roots pressured by a build-up of sediment.

He goes on to talk about chemical contamination. I note with interest my former colleague and senator from Tasmania, Rob Bell, picked up this issue on 6 May 1993 when he talked about contamination in the Lorinna area and about local people becoming more and more concerned about herbicides building up and moving through the watertable. Professor Finlayson looks at this and at the belief of Forestry Tasmania and others that everything is fine because soil filters out all contaminants before the water gets into the watertable. He explains that, while this has some validity and in some cases may be true, it simply does not apply because of the extensive clearing and because the natural humus and native vegetation has all been removed. He says that when you bulldoze and pull out the trees, remove the humus, put in the furrows and plant out a crop, in many cases you have actually created—where the tree roots were—direct drains from the surface where the fertilisers are being applied straight down into the watertable and that quite high levels of fertiliser can build up and pollute the water further down the stream. He says:

So you have a proportion of contaminants being moved quickly down through the soil in macro pores then laterally through soil through block fields emerging in springs and streams lower down the slope. These contaminants all then pass into the food chain.

He comments on a couple of other issues, particularly diesel contamination. I saw the diesel spilt as I walked along the road area and also as I stepped off the road. Part of the commitment, supposedly, in the Forest Practices Code is that there is absolutely no spillage of material such as diesel. It was clearly evident; it had pooled in several places and, from the film and the colour seen on the ground, it was obviously diesel. So, just on that issue, forestry practices were clearly not being met. There is also the problem of using maps for assessment of the coupe water-
courses. Professor Finlayson says that, often, contours on a map will show a depression but not a stream. Indeed, when we were there after the recent rain, a raft of springs and streams was very clearly in evidence. Yet in one area, logs had been piled up and stored right on top of an area where the burrowing crayfish had been identified, although it was obviously a watercourse.

In conclusion, there must be an immediate halt to logging in this area and a full and complete review of the practices of Forestry Tasmania. They must come clean about their decision making processes. How they ever got to log this area in the first place is an indictment of both the current and the previous government in Tasmania that they have been so quick to move into areas and completely destroy the native vegetation with no thought to the local community, to the long term value for all Australians of our natural heritage or to the tourism industry in Tasmania. That industry is, very pleasingly, becoming more and more pressured by those who want to get off the beaten track and to walk in areas such as Cradle Mountain and who are finding long queues of people ahead of them wishing to go out and see something of Tasmania’s natural environment. For people in Launceston this was a place they could take visitors. It is certainly no longer such a place.

**Senator SHERRY (Tasmania) (1.52 p.m.)—**I will briefly comment on the contribution we have just heard from Senator Lees, the Leader of the Australian Democrats. She may or may not be aware that some 40 per cent of the total land mass of Tasmania is either in reserves, world heritage areas or national parks and logging is excluded from those areas. If we were to follow the logic that Senator Lees has just advanced then in reality you would cease all logging in Tasmanian old-growth forests. I just point out to her and to the Australian Democrats—as I have to Senator Brown on previous occasions—that the consequences of ceasing forestry in old-growth forests in Tasmania would be that the 6,000 people in my home state who are directly employed in all aspects of forests and forest industries would cease to have a job. That would have a cataclysmic effect on employment and on the economy of Tasmania.

If we were to follow the logic of Senator Lees, the Leader of the Australian Democrats—if, indeed, we were concerned about the use of chemicals and fertiliser in forestry practices—we would also have to prohibit all forms of farming in Tasmania, because the use of chemicals and insecticides in that particular area of Tasmanian land practice is much heavier than that in forestry operations. I conclude on this point: up until four or five years ago at least, the Australian Democrats and the green movement were ardent advocates of plantations. They urged governments, both Labor and Liberal, to shift forestry operations into plantations. In the last year in particular we have seen a total reversal of the approach of the green movement and Senator Brown in this area, and apparently that of the Australian Democrats as well. They are now apparently arguing for little or no plantations and of course the consequence of that would be further economic disaster for Tasmania.

When we debate issues of forestry, we should remember that any logging operation leaves a mess and has to be cleaned up. In native forests, in particular, you have to burn what is left in order to ensure regeneration of the forests. That is the nature of a eucalypt forest: it requires burning after logging for regeneration. If you do not do that, you will end up with a total mess, not just for the initial two or three years but for 20 or 30 years.

I also remind the Senate that many of the areas that have been referred to by Senator Brown and Senator Lees have been logged in the past. They are regrowth forests that have regrown and, under the RFA process, are available for logging. What I would ask for in the context of the debate is a balanced approach—the putting aside of sufficient areas for tourists to enjoy, that merit preservation in terms of world heritage and national parks and for forest activity on a sustainable basis. We are fortunate in Tasmania, I believe, to have the best of both worlds. It need not be a black and white argument.

But the subject of my comments in the debate on the appropriation bills today relate to a number of interrelated economic issues
of fundamental importance to Australia’s future wellbeing. The comments I intend to make focus on foreign debt, saving and investment—particularly foreign investment. The latest national income expenditure and product figures for the December quarter of 2000-01 reveal a very worrying picture. Firstly, in reference to foreign debt, in the first 95 years of Australia’s history as a country, foreign debt reached a level of $190 billion. At the end of the last calendar year, foreign debt had risen to a new record of $301 billion. In the last five years—under the Treasurer, Mr Costello—foreign debt has increased by a staggering 60 per cent.

All Australians will remember the debt truck of the Prime Minister, Mr Howard, and the Treasurer, Mr Costello. Mr Costello laid out his preferred formula for assessing foreign debt on The World Today on 30 August 1995 when he said:

... $10,000 for each man, woman and child. It represents in human terms, if you break it down for each person, $10,000 worth of debt ...

Using Mr Costello’s preferred formula, today’s figures reveal that the debt burden for every man, woman and child in Australia is now $15,698 per head, up from the $10,000 that Mr Costello so roundly criticised in 1995. This is a staggering increase of per capita debt of nearly 60 per cent. The Liberal’s debt truck now has become a road train in the driveway of every Australian household.

I noticed in the news clips just prior to the Ryan by-election Mr Costello sitting in the passenger seat of a truck. Initially, I wondered whether the debt truck was about to be taken out onto the road again. However, I was disappointed. As the cameras panned, I noticed that the truck that Mr Costello was sitting in was the electioneering truck of the Liberal candidate for Ryan, Mr Tucker—for all the good it did.

One of the critical elements of foreign debt is its sustainability. A debt per se is not necessarily a bad thing. If debt is entered into for productive investment purposes, it does add to economic growth and employment creation. This is an aspect of foreign debt that Mr Costello and his Liberal-National Party colleagues now focus on almost exclusively. They did not mention it prior to 1996. However, their justification for foreign debt—arguing that it is sustainable—does not extend to government debt. Government debt—according to the Treasurer, Mr Costello—is all bad. It is one of the mantras continually offered as the reason for selling the remaining 51 per cent of Telstra.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Economy

Senator COOK (2.00 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Doesn’t the Financial Review quarterly survey of leading market economists published today add weight to claims that the Howard government has directly brought on the current economic downturn? Is it not true that 17 of the 20 economists surveyed stated that the implementation of the new tax system was the most important factor in the economic slowdown late last year? Will the government now acknowledge what the experts already know: that the GST has mugged the Australian economy?

Senator KEMP—That is well up to the usual low standard of Senator Peter Cook. There are a number of comments that one could make. The first is: did the GST in Australia mug the US economy? The US economy is in a downturn at the moment. Senator Cook is arguing, presumably, that the fact that the GST came into Australia affected the US economy. Would the same apply to Japan? The point I am making is that we are seeing in the wider world economy a slowdown, which has been noted. As a great trading nation, that has some particular effect on this country.

The other point I would make—and I have stated this in the chamber on a number of occasions—is that we have indicated, in relation to the introduction of the goods and services tax, a transitional effect. Some of the areas, such as construction activity, as is well known, were pulled forward. In other sectors of the economy, such as in the car sector—motor vehicles—there was a push forward arrangement. This government has spoken about the transitional effects. The fundamentals of this economy, as Senator
Cook would know, remain sound: low inflation and responsible fiscal policy.

The fact is that we have been able to preside over a period when interest rates have come down. Look at the fundamentals of the economy and you see that they are strong. It is not often that I agree with Premier Bracks, but he did point to the fact that he deplored the attempt to talk down the economy. What we see from the Labor Party federally is a constant attempt to talk down the economy, when they know, as we know, that the fundamentals of the economy remain sound.

Senator COOK—Madam President, I ask a supplementary question. Does the minister recall the Prime Minister, on 1 October 1998, in his election campaign closing speech to the National Press Club, stating:

Now I don’t for a moment ask people to support something that will leave them worse off because it won’t. But above and beyond the impact on the individual and on particular groups, I do ... call it for Australia because this above everything else is a generational change that will strengthen the Australian economy.

Haven’t Australia’s leading market economists exposed the Prime Minister’s centre-piece promise of the last election campaign as utterly false and misleading?

Senator KEMP—What has been exposed as utterly false and misleading is the Labor Party tax policy. The Labor Party stands up day after day in this chamber and constantly attacks the goods and services tax. Many in the public would be surprised to know that the Labor Party supports the GST, and the GST will form part of Labor Party policy.

What is exposed is the deceit and hypocrisy of the Australian Labor Party.

Economy

Senator WATSON (2.04 p.m.)—My question is directed to the Leader of the Government in the Senate, Senator Hill. Will the minister inform the Senate of how the Howard government’s responsible economic management is helping both industry and Australian families? Is the minister aware of any alternative economic policies? What would it impact on if these were to be implemented?

Senator HILL—I thank the honourable senator for the question. Sound economic management does bring reward. I could not express it better than today’s Adelaide Advertiser—because I have a particular interest in the South Australian economy—which has the headline ‘5500 Reasons to Celebrate’. What is that about? It refers to the contract for another 5,500 Diamante-badged Magnas to be manufactured in South Australia and sold to the United States. That is on top of the existing order of 12,000 cars. That is good news for South Australia.

Senator Faulkner—Don’t use that newspaper.

Senator HILL—I am not allowed to show you the newspaper, that is true. It is good news for jobs in South Australia. This comes about through sound economic management. I am pleased to see Senator Cook nodding.

Senator Cook—What about exports?

Senator HILL—Yes, it is a good time to export, Senator Cook. You are starting to learn.

Senator Cook interjecting—

The PRESIDENT—Order! Senator Cook, you are shouting.

Senator HILL—Senator Cook does not have a good record on the economic fundamentals. It was Senator Cook who said that the budget was in surplus when it was $10 billion in deficit. But he is nevertheless learning. He said in an interjection a moment ago that exports were up because of the low dollar. That is right. This is a real opportunity for Australian exporters, and smart exporters in this country are taking that opportunity. That is why the trade figures of last week were so good. My colleague Senator Kemp said that Premier Bracks in Victoria said that it is time to stop talking down the Australian economy. That is true. Mr Carr, the Premier of New South Wales, was saying the same thing—a very lightly veiled message to his Labor colleagues in Canberra. He said:

Let’s all of us in political leadership and business leadership join in talking up the Australian economy.

He went on to say:
Let’s get a message out this week—
that was a week or so ago—
that interest rates are coming down. Things look
good for the Australian economy.

He also said:

I want to have a message of confidence so that
those in private businesses who are investing
rather than holding back will do so, so that private
employees, millions of them, feel confident about
spending and getting the money flying through
the arteries of the economy.

So Labor leaders outside of Canberra are
talking up the Australian economy, seeing
the opportunities for exporters, seeing the
opportunity for growth and seeing the op-
portunity for more jobs. But in Canberra Mr
Beazley, Senator Sherry and Senator Cook
can only talk down the economy. It is all
knocking and it is all negative, when in fact
there is a moment of special opportunity.

We have had a period of exceptional
growth—five years of exceptional growth—
brought about through sound economic pol-
icy and reining in the deficit. Low interest
rates, low inflation, low taxation and growth
were the result, and, Senator Sherry, 800,000
jobs were the result of that good manage-
ment. Obviously, from time to time we will
have a contraction but, instead of seizing on
that as an opportunity to talk down the econ-
omy, Labor could be seizing on it as an op-
portunity to note the benefits that can flow.
Already interest rates, even though they
might be historically low, are on the way
down again, and we have seen a reduction of
three-quarters of one per cent in the last two
months. (Time expired)

Senator WATSON—Madam President, I
ask a supplementary question. The minister
very clearly outlined how responsible eco-

nomic management is helping industry and the
economy, but could the minister outline,
as I asked in the original question, how this
is assisting Australian families?

Senator HILL—The $12 billion in per-
sonal income tax cuts from the Howard gov-
ernment are a good start, but 800,000 new
jobs are a good start as well. Sound eco-
nomic management benefits all Austra-
lans—in particular, Australian families.
What I am saying to Labor is: instead of
talking down the economy and instead of
talking down Australia, look at this as an
opportunity for us to start the process of a
new surge in growth, with more jobs and
better economic outcomes and with higher
real wages—the policy of the Howard gov-
ernment. That is what we want. Compare
Labor’s record when in government. Interest
rates went to 17 per cent. One million Aus-
tralians were, at one time, out of work. In
stark contrast, we have a way for the future
for Australian families—or it is back to the
despair of Labor’s 13 years of misery.

Economy

Senator SHERRY (2.10 p.m.)—My
question is to the Assistant Treasurer, Sena-
tor Kemp. If the Prime Minister is right in
saying that no-one should pay too much at-
tention to a single month’s economic figures
and the Treasurer is right in claiming that the
housing industry figures for February show
that housing construction has bottomed and
is now picking up, why have the interna-
tional markets reacted to the February ABS
data by sending the dollar to a new all-time
low of US$48.65c? If the government is right,
how can the rest of the world get it so
wrong?

Senator KEMP—Again, we have the at-
tempt of the Australian Labor Party to talk
down the Australian economy. Senator
Sherry mentioned

Senator Sherry interjecting—

The PRESIDENT—Senator Sherry,
shouting in that fashion is disorderly. You
have asked a question, and the minister has
been called to answer it.

Senator KEMP—The point I was making
is that I think the federal Labor Party has
acquired a reputation for constantly talking
the Australian economy down. Senator
Sherry mentioned one set of figures in his
response. Why didn’t Senator Sherry, we
might ask, mention the retail trade figures
today? The retail trade figures show further
solid rises following the increases in January
and December. The point I am making to
Senator Sherry is that he has picked out one
particular sector and ignored the good
news—and the Labor Party constantly ig-
nores the good news. I have pointed out that
you can look at the record of this government—to add to the remarks of my colleague Senator Hill, who covered the field so well—and look at the level of interest rates, for example. You can contrast that level with the level that we inherited when we came into government. You can contrast the current level with the 17 per cent interest rates that many home buyers were charged under the previous government. There is a range of figures that one can pull through. In relation to the issue of the dollar—

Senator Faulkner interjecting—

Senator Cook interjecting—

The PRESIDENT—Order! There is an appropriate time to ask questions, and it is not during the minister’s answer.

Senator KEMP—Let me share with the Senate, and particularly with Senator Sherry, some comments that the Treasurer made on this matter on the weekend. This is what he said:

As I have said on a number of occasions before, the things that are influencing the Australian dollar-US dollar exchange rate at the moment are not reflecting economic fundamentals. A balanced budget, low inflation and low interest rates are working for Australia and the exchange rate is not fully reflecting those fundamentals.

He went on to turn his attention to the Labor Party, as occasionally the Treasurer will do. He said:

I also note that the opposition, an irresponsible opposition, have tried to make political capital out of that.

Isn’t that typical? This is exactly what we are seeing with Senator Sherry. The irresponsibility of Mr Crean and Mr Beazley is even beginning to worry state Labor figures. The quotes that were shared in this chamber by the Leader of the Government in the Senate in answer to the previous question show that very clearly.

The truth of the matter is that this government has run a very sound economy. This government has the fundamentals right. This government has been prepared to take tough decisions. I point out to Senator Sherry that one of the things that would be turning people’s minds at the moment is the Labor Party’s performance on the economy. What does the Labor Party mean by roll-back? How much will roll-back cost? How much does the Labor Party plan to increase public spending? What will happen to the tax cuts? All those questions are constantly being asked of the Labor Party at present. Let me assure Senator Sherry that the fundamentals of the economy are sound, as the Treasurer pointed out. What is not sound is the performance of the Australian Labor Party. (Time expired)

Senator SHERRY—It was the Treasurer, Mr Costello, who set the dollar and the national debt as the fundamental benchmarks of the economy in the lead-up to 1995. Madam President, I ask a supplementary question. Does the minister agree with BT’s chief economist, Mr Chris Caton, that the fall in new dwellings in February was a ‘shocker’ and that ‘we can no longer be confident that the trough in approvals has been reached’?

Senator KEMP—I pointed out to Senator Sherry that there is a variety of figures that one can present at the moment. There are some figures that are better than others. I mentioned the retail trade figures, which came out today. Certainly there are clear signs that the home construction sector has now bottomed out. The Labor Party constantly attempts to talk down the economy. What the Labor Party really hates, above all, is good news.

Crime: Confiscation of Proceeds

Senator CHAPMAN (2.17 p.m.)—My question is directed to the Minister for Justice and Customs. Will the minister advise the Senate of the government’s proposal to prevent criminals from profiting from their crimes? How will this build on the Howard government’s Tough on Drugs strategy? Is the minister aware of any policy alternatives?

Senator ELLISON—Senator Chapman has asked a very important question. Earlier this year, senators will recall that I announced the proceeds of crime initiative, which will include a civil based forfeiture—that is, you will not have to wait until you convict somebody before taking their ill-gotten gains from criminal activity. The government is looking at making it unprofitable to be involved in crime. It is looking at
crimes such as drug trafficking, people smuggling and money laundering. It is looking at nabbing the proceeds of crime from areas where there is all too much incentive to become involved in organised crime.

I was interested to read in the paper today that Labor has come up with a bill in relation to the proceeds of crime. The bill is a copy of the New South Wales legislation, which is now five-years old. Labor has not even bothered to look at the evolving face of criminal activity in the world today, which keeps abreast of modern technology. It has simply copied the New South Wales legislation.

What you do not see in this legislation is the power to give a notice to produce so that law enforcement agencies can get that essential information on the proceeds of crime from financial agencies. There is no provision for the repatriation of assets in the bill so that someone who has benefited from criminal activity and stashed the loot overseas can be made to bring it back to Australia. You do not see that. There is nothing in the bill about the proceeds from literary works so that a person who has been convicted of a crime cannot profit from their story about their criminal activity. You do not see that in Labor’s bill.

If the opposition were serious about the proceeds of crime, they would put these sorts of measures in their bill. They would keep abreast of modern technology. They would keep abreast of organised crime and its modern methods. But what have they done? They have adopted the policy-lazy approach of copying the New South Wales legislation. The government is proposing a comprehensive and thorough approach to the proceeds of crime in consultation with law enforcement agencies, which know best where to look for these proceeds of crime and particularly how to go about it.

The Labor bill proposes that a court be involved in this process. There is some constitutional query about that; they have obviously not thought it through. It is very important that the government gets this initiative right. The government is serious about getting tough on drugs and tough on organised crime. I note that this bill, which forms part of a 10-point Beazley plan—

Senator Bolkus interjecting—

Senator ELLISON—I hear Senator Bolkus interjecting. He might want to explain why, in the 10-point plan that Labor has put forward, there is not even a full page—out of 28 pages—on drug education. He might want to explain why, in Labor’s plan on how to deal with drugs, it concentrates instead on heroin prescription trials, how it will go soft on drugs and how it will work with state governments in relation to prescribing heroin. If Labor was dinkum on getting serious about crime and drugs, it would join the government in its initiatives to nab the proceeds of crime and to develop a tough on drugs policy. Instead, it has adopted the policy-lazy approach of copying the New South Wales legislation, which is now five-years old and does not meet the modern requirements that are needed in order to fight organised crime.

Economy

Senator CONROY (2.21 p.m.)—My question is addressed to Senator Kemp, the Assistant Treasurer. Can the minister confirm that the Prime Minister promised on the John Laws program that the price of ordinary beer would increase only by 1.9 per cent as a result of the introduction of the GST? Why then is the Prime Minister now blaming the brewers for their campaign to make him keep his promise by stating, “I don’t trust them. They ran a very dishonest campaign on this”? If the brewers have run a dishonest campaign, hasn’t Mr Howard provided them with the perfect role model? Isn’t this the Prime Minister who promised that there would never ever be a GST?

Senator KEMP—Let me make a couple of comments in relation to the question from Senator Conroy—

Senator Conroy interjecting—

Senator KEMP—who has asked a question and may actually care to listen to the response. The government, as Senator Conroy knows, made a very clear commitment in the course of the election to set the excise rates on beer to ensure that the price of a carton of full strength beer need rise by only
1.9 per cent. The government has met that commitment. That was the commitment we made to the public and that was the commitment the brewers well knew. It was always the expectation that beer sold over the counter would have GST applied to the service component.

Senator Conroy—That’s not what he told talkback.

Senator KEMP—The taxation of services, as Senator Conroy would know, is one of the key features of a goods and services tax. The bill that gives effect to these changes in excise rates is currently before the Senate, which may in fact mean that the question he asked me is out of order, because the bill is now the subject of Senate debate. Let me give some history on this to again show the hypocrisy of the Labor Party, which constantly attacks the government: the Labor Party argues that it wishes to—

Senator Conroy—Keep you honest.

Senator KEMP—No. I have long argued in this chamber that the one thing we want the Senate to do is to make us keep our promises.

Senator Sherry—We are.

The PRESIDENT—Order!

Senator KEMP—If you look through the vast range of promises that this Senate has attempted to make this government break, you can see that this Senate has acted in a very obstructive manner. Let me make it clear: the government’s promise was clear and it intended to keep that promise, but it is clear that the Senate may attempt to make the government break that promise on beer. The effect, of course, will be felt at the budget bottom line. I think that underlines the irresponsibility of the Australian Labor Party under the leadership of Mr Beazley.

Senator CONROY—Madam President, I ask a supplementary question. Minister, is it not a fact that the Prime Minister has broken his promise to beer drinkers, pensioners, small business and just about every Australian and, in particular, has broken his promise that the GST would be good for the economy? Rather than the Prime Minister seeking to blame everybody else and branding his critics as being dishonest, why doesn’t he accept responsibility for his GST promises and the devastating impact the GST has had on millions of Australian pensioners, small businesses and families?

Senator KEMP—If the GST is not good for the economy, why is the Labor Party proposing to keep it?

Senator Cook—It is not.

Senator KEMP—As I mentioned earlier in this question time, this exposes the hypocrisy of the Labor Party. The Labor Party has adopted the GST as part of its taxation policy.

Senator Cook—It has not.

Senator KEMP—For Senator Cook and Senator Conroy to get up here day after day and pretend otherwise is, as I said earlier in this question time, an exercise in total hypocrisy.

Environment: Kyoto Protocol

Senator LEES (2.25 p.m.)—My question is to Senator Hill, the Minister for the Environment and Heritage. Minister, given that the United States has now made it clear that it is not going to be a part of international efforts to reduce greenhouse gas emissions, will we be following the US lead? Will Australia still work internationally to reduce greenhouse gas emissions? Given our concerns anyway with the Kyoto protocol, will we be withdrawing from it? And, finally, given that the United States is such an international player in this issue, do you believe that any international agreement is now doomed to failure?

Senator HILL—Australia signed the Kyoto protocol because we believed we had to share the burden of increasing global greenhouse gases and the consequential rise in temperatures that most scientists believe will bring significant adverse weather consequences. We committed to a target at Kyoto that we believed was fair although demanding. We have produced, and are implementing, a suite of programs to best ensure that Australia achieves that target, which was plus eight per cent between the years 2008 and 2012, which would require a very significant change in the Australian economy, because greenhouse gases in Australia on a business as usual basis are predicted to rise
by about 43 per cent. We have backed up our domestic program, which covers everything from new motor vehicle emission standards, complemented by new fuel quality, new building code changes and renewable energy programs and the like, with $1 billion of taxpayers’ funds. On a per capita contribution, we would be making as much effort in reducing greenhouse gases in this economy as any other country in the world. It is true that we have sought to achieve that change in our economic structure in a cost-efficient way, and we make no apology for that. We believe that least-cost outcomes are the best way to go, because you can actually achieve a greater greenhouse gas saving for any specific investment if that is the approach taken. So nothing has changed in that regard. We have made that commitment. We are implementing the domestic program and we are seeking to achieve the reduction in the carbon intensity of our economy, as I have indicated.

Turning to the international perspective, if the United States does withdraw from the Kyoto protocol, to me it will mean that the Kyoto protocol will not come into legal effect. I know that, technically, there are enough countries to bring it into effect without the United States but I simply do not think that will occur. Therefore, I would prefer to see the United States staying within the protocol and seeking to overcome some of its shortcomings, in particular the issue of no binding targets on developing countries, and also working towards the least-cost abatement opportunities that would come through an efficient international trading scheme, as an example, and also a full utilisation of the opportunities for sinks, which can bring not only a greenhouse benefit but also other benefits for the protection of biodiversity and the like. If the United States does withdraw and the protocol collapses, Australia would wish it to be overtaken by some other process that will continue the global community towards a better outcome in terms of greenhouse gas abatement, and we would operate and contribute constructively to that goal. That is the position we are in. We are pleased at what we have been able to achieve in this country since late 1997. We are doing it not only because of the Kyoto protocol but because we believe it is the right thing to do, and we intend to continue along that path.

Senator LEES—Madam President, I ask a supplementary question. I thank the minister for his answer. I think he is saying that we are going to continue with what commitments we have made. However, given your understanding that without the United States it is going to be difficult to maintain and put into effect what has been decided at Kyoto, is Australia prepared to go onto the front foot and openly criticise the US and call on them to get back into the process; in other words, is Australia prepared to be, on an international scale, a leader in this process? Secondly, is Australia prepared to join openly with the United Kingdom, the European Union, Japan, New Zealand—those countries that are very much committed to the process—and take on the United States and push ahead anyway? In other words, is Australia prepared to make sure, given that we need only 55 countries to sign, that it actually goes ahead despite the United States?

Senator HILL—I do not think that to attack the United States will help in this issue. The United States are reviewing their total energy policy and have stated that they believe the Kyoto protocol is fundamentally flawed because developing countries are not a party and because their economy cannot afford it at the moment. I think the more important thing is for us to work with the United States, because they are the world’s largest emitter; they are also the world’s largest economy and have more capability than most to contribute towards better global outcomes. That is the way we would approach their decision. We are disappointed at the choice they made, because they could have stayed in and worked towards repairing the protocol and implementing it. If they have chosen to go down another path, it is a question of working with them and others to achieve the best global outcome at the lowest price.

Youth Allowance

Senator LUNDY (2.32 p.m.)—My question is to Senator Vanstone, the Minister for Family and Community Services. Is the minister aware that the leaked Youth Pathways Action Plan Taskforce report, like the
McClure report before it, condemns the Howard government for imposing marginal tax rates as high as 111 per cent on the families of many Youth Allowance recipients? Can the minister confirm that the report is also critical of the social security rules which discourage families from transferring their teenage children to Youth Allowance, with the consequence that they cannot access fares allowance or financial supplements? Does the report also reveal that many single parent families experience a cut in assistance when a child turns 16? Does this explain why the government has refused to release the report?

Senator VANSTONE—I thank the senator for her question. When the report is ready for release, it will be released and, when the government is ready to respond to it, it will respond.

Senator LUNDY—Madam President, I ask a supplementary question. When was the Youth Pathways Action Plan Taskforce report completed? When was a copy first provided to the Minister for Family and Community Services, and why, after 13 months, have you not released that report? I ask you again, and I ask you to answer the question.

Senator VANSTONE—My answer stands but, since the senator has invited me to provide a bit more information about what this government does for young people, she might like to consider that about $2 billion a year is spent on Youth Allowance. You might like to make some remarks about the Reconnect program, which helps young people at risk of homelessness work out their problems with their families and get together. That is a $60 million commitment over four years from 1999, with $20 million ongoing. There are 68 current Reconnect services and seven new services, and there is a selection round under way. You might also like to look at all the support we are giving to families in relation to their capacity to deal with illicit drugs. You might like to look at all of those things. But, as I have indicated to you, when the report is ready for release, it will be released and, when the government is ready to respond to it, it will respond.

Senator VANSTONE—My answer stands but, since the senator has invited me to provide a bit more information about what this government does for young people, she might like to consider that about $2 billion a year is spent on Youth Allowance. You might like to make some remarks about the Reconnect program, which helps young people at risk of homelessness work out their problems with their families and get together. That is a $60 million commitment over four years from 1999, with $20 million ongoing. There are 68 current Reconnect services and seven new services, and there is a selection round under way. You might also like to look at all the support we are giving to families in relation to their capacity to deal with illicit drugs. You might like to look at all of those things. But, as I have indicated to you, when the report is ready for release, it will be released and, when the government is ready to respond to it, it will respond.

Senator BARTLETT—(2.34 p.m.)—My question is to the Minister for the Environment and Heritage, Senator Hill. Can the minister confirm comments by the Deputy Prime Minister, Mr Anderson, that he does not support an increase in water flow in the Murray River system? Doesn't such a view guarantee ongoing degradation of the Murray-Darling Basin? Isn't the Deputy Prime Minister at odds with the 26 excellent, unanimous recommendations of the House of Representatives environment committee inquiry into catchment management, chaired by his National Party colleague, the Hon. Ian Causley? Given that the Deputy Prime Minister has ruled out any increase in optimal water flows, hasn't the Murray-Darling Basin Ministerial Council simply become bogged down in political gridlock? If so, when will the minister embrace recommendation 3 of the House of Representatives committee report and work through COAG to enact complementary legislation to establish an independent statutory national catchment management authority?

Senator HILL—Mr Anderson said that he did not believe that environmental flows should be provided at the cost of irrigators. Senator Bolkus—Where else could it come from?

The PRESIDENT—Senator Bolkus, if you have a question, you can ask it at the appropriate time.

Senator HILL—In other words, he did not support clawing back water from irrigators to provide those environmental flows. I understand that. We should remember that the New South Wales Labor government and the Victorian Labor government, when they decided to invest $300 million in water from the Snowy, said that it could be achieved through more efficient irrigation practices and the like, and that would achieve water savings that could be diverted for environmental purposes. The same principle applies in relation to environmental flows for the Murray.

This government has already announced some $75 million towards environmental flows for the Murray. It is obvious to me—and, I think, most people who take an interest
d, I think, most people who take an interest in this subject—that more water will be necessary to restore and maintain the health of that great river system. But it will not just be a question of more water. I remind the senator that, by the time it gets to the mouth, 80 per cent of the water has been extracted from the Murray. It is going to require not only more water to get to the mouth to maintain the health of the system but also a modification of the flows of that water. It is true that the Murray-Darling Basin Commission and the ministerial council at the very moment are wrestling with that very issue of what additional water will be necessary for the Murray for environmental purposes and also what changes there should be in the flow regime. For the last 12 months a project group has been working on that particular issue. It made preliminary recommendations to the commission, which took those recommendations to the council last Friday. There were some very positive initiatives announced out of that.

In relation to the additional water necessary for the lower Murray system, to protect the health of the Coorong and to keep the mouth open, the president of the commission has indicated that they need a further six months, that the matter is more complex than was anticipated and that the models have now been developed—they have been in operation for about six weeks. The president is confident that the commission will be able to come back to the next council meeting with details as to what is required in relation to further water and changes in the flow regime. I trust that the council will then be in a position to adopt those recommendations and that the states concerned and the Commonwealth will put in place a program that will complement the decisions we took last Friday in relation to salinity and that can best ensure the health of the lower Murray system and that the mouth of the river is kept open.

Senator BARTLETT—Madam President, I ask a supplementary question. Minister, is it not a fact that the reported $60 million that has been proposed to construct salt interception works at the end of the Murray will do absolutely nothing to address the root cause of the problem in the other 90 per cent of the basin where land clearing in Queensland and New South Wales needs to stop and broadscale revegetation of the landscape commence without delay? Won’t this $60 million of work just be wasted unless it is going to be done in conjunction with halting clearing, revegetation and increasing the flow? Can the minister guarantee that these actions will occur as well to ensure that the value of the salt interception works is maximised?

Senator HILL—It is true that water extractions from the Murray-Darling Basin in Queensland have increased dramatically in recent years and since the other states accepted the cap. Until the Queensland Labor government accept their responsibility, there will be a serious shortcoming. Also, two river systems in New South Wales are over the cap under the New South Wales Labor government. They should start to take their responsibility seriously as well.

But I would not downplay the $60 million that has been put towards not only salt interception schemes but also meeting salinity targets in rivers and tributaries for the first time within the system, including on-ground works. That was a historical change adopted last week, where the problems will be tackled more at source than they have been in the past. The salinity interception schemes are important. They are certainly important for South Australians who have to drink the water further downstream. So progress has been made. If Labor governments cooperated, we would get further. (Time expired)

**Economy**

Senator FAULKNER (2.41 p.m.)—My question is directed to Senator Kemp, the Assistant Treasurer. Minister, how much is the government spending on the current advertising campaign to sell the changes to the business activity statement which have flowed from the government’s BAS backflip, including advertising placement, consultants’ fees, polling and research? Minister, what is the duration of the campaign?

Senator KEMP—I will obtain the precise figures for Senator Faulkner. The government is determined to make sure that people know about the changes. We think that is a
very responsible approach by the government. I think the campaign will be welcomed by the wider public who are seeking information.

Senator FAULKNER—Madam President, I ask a supplementary question. In seeking an answer from the Australian Taxation Office, could the Assistant Treasurer clarify whether the cost of this campaign includes the $27 million left unspent from funds already appropriated for the GST advertising campaign? Could the Assistant Treasurer also explain to the Senate why he consistently fails to keep himself informed about these important matters?

Senator KEMP—With respect to the first part of the question, I will seek the information that Senator Faulkner has requested. On the second part of the question, I think the record will show that I provide a great deal of information to the Senate. When the precise figures are not available, I always try to seek them and assist the Senate in any way I can.

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the President’s gallery of former President of the Senate and South Australian senator, Sir Harold Young. I welcome you on your return to the chamber.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Rural and Regional Australia: Policies

Senator SANDY MACDONALD (2.43 p.m.)—My question is to the Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald. Minister, will you inform the Senate of new information which illustrates the improvement of services to regional, remote and rural Australians? Are you aware of any alternative policies?

Senator IAN MACDONALD—As to alternative policies, I refer Senator Sandy Macdonald to Mr Beazley’s policy document ‘My plan for our country’. In that, Senator Sandy Macdonald, you will find the Labor Party plan for rural and regional Australia: 115 words of it; 115 hollow words. They start with a typical Beazleyism:

Rural and regional Australia is doing it tough.

Negative, talking it down, not understanding that many of us in rural and regional Australia despise Mr Beazley always talking us down. Mr Beazley says:

Hundreds of bank branches and post offices have closed...

Mr Beazley would well know that because under Labor 277 post offices were closed. By contrast, under us, 105 post offices have opened.

All this negativeness about rural and regional Australia is what you expect from Labor. But I do not know where Labor get their information. When I became the minister I found that there had been no data whatsoever collected to get a real fix on what was happening in rural and regional Australia. So I commissioned the Bureau of Rural Sciences to do an independent report which was entitled Servicing regional Australia. There have been a lot of calls for data on, and reporting and analysis of, the state of rural, regional and remote communities.

Opposition senators interjecting—

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

Senator IAN MACDONALD—The report that I have commissioned by the Bureau of Rural Sciences is the first on service delivery and it provides a statistical analysis of the level of service delivery across Australia. Interestingly, in spite of Mr Beazley talking it down all the time, the report finds that 98 per cent of Australians have access to services within an hour’s drive of home. This report, which I will table for the benefit of all senators, shows that 99.2 per cent of Australia’s population reside within 80 kilometres of a post office, 98.5 per cent of Australia’s population reside within 80 kilometres of a hospital, 98.2 per cent of Australians over 65 years of age reside within 80 kilometres of an aged care facility, 99.6 per cent of all Australians live within 80 kilometres of the nearest school, and 99.1 per cent of all Australians live within 80 kilometres of the nearest bank. And that is in spite of the Labor
Party closing 277 post offices during their time in office.

For the between 0.2 per cent and two per cent of Australians who are not in those statistics, it could be that they live quite a distance away. The Howard government know that more has to be done and we are doing it. It shows that not all of regional and rural Australia is as badly off as Mr Beazley keeps carping and carrying on about. If you look at the shadow minister’s web site for some policy, you will find that I no longer appear on that following my timely reminder to Senator Mackay. But if you look at it closely you should find a direct link to the Australian Bankers Association because that is where the Labor Party’s policy on banking seems to have come from. One hundred and fifteen hollow words—we now understand what it is all about, and I commend this table to all senators. (Time expired)

Economy

Senator CROSSIN (2.48 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Does the Assistant Treasurer recall the Treasurer stating that no small business would go to the wall as a result of the GST? How does the minister explain the statement of Night N Day Autocare owner, Greg Sharam, in the Northern Territory on 20 March that the GST and high fuel prices had caused at least six auto businesses in the Territory to close in recent months with ‘more to follow’. Is this just another example of the GST being good for the economy: the destruction of six automotive businesses in the Northern Territory?

Senator KEMP—Let me respond to the question by again asking: if Senator Crossin thinks that the GST is bad for the economy, why are Labor proposing to keep the GST? It is a very important issue. I am not aware of Senator Crossin having stood up on any occasion and said that the Labor Party will not be keeping the goods and services tax—and if I am wrong I am quite happy to come in here and correct myself. Therefore, if the Labor Party are proposing to keep it, the underlying assumption is that the Labor Party believe that the goods and services tax is good for the Australian economy. The Labor Party could not be proposing to keep the goods and services tax if they did not believe that the goods and services tax and the tax reforms that we have brought in to make a more competitive tax system were good for the economy. That is the hypocrisy that we have seen in this question time and in question times of the previous week.

I have not looked closely at the issues, as you would expect, that Mr Greg Sharam has raised. I do not know the basis on which he makes these claims. I do not know whether he was finding it difficult on a compliance issue to deal with the goods and services tax. If that was the problem, we are always able to provide, through the tax office, field officers to visit people to advise and to assist them to make sure that they can properly comply with the goods and services tax. The total number of those field visits around Australia is in the order of some 400,000.

The fundamental point is that tax reform is good for the economy, and I think that a lot of people in business and elsewhere are worried about the issue of what Labor will do with taxes, particularly income taxes. It is impossible to fund issues like roll back and the increased expenditure that Labor are promising across a wide area of government activities if they do not raise taxes. The next issue that has to be addressed is: where are Labor proposing to raise taxes? I notice that Mr Kim Beazley has not ruled out the fact that the Labor Party is not committed to the income tax cuts that this government brought in on 1 July—arguably the largest income tax cuts in Australian history.

Senator CROSSIN—Madam President, let us have a go at a supplementary question and see if we can get an answer to the question this time. How does the minister respond to Mr Sharam’s statement that:

... while the automotive industry was a competitive industry, all businesses had been surviving until the GST ...

Doesn’t this make a mockery of the Treasurer’s statement that no small business would go to the wall as a result of the GST? Will the Treasurer and the Prime Minister now take responsibility for the destruction the GST has wrought on small business, or do they still play the blame game and insist it is the fault of the Reserve Bank of Australia,
the Treasury, the ATO, the US economy, Japan or even the Leader of the Opposition?

Senator KEMP—Again, let me see if we can get a clear and proper response to this very important issue. If the Labor Party believe that the GST is destructive of small business, let the Labor Party get up and say that they will not keep the goods and services tax. I issue a personal challenge to Senator Crossin today that, after question time, in taking note of the answers, Senator Crossin stands up and clarifies the Labor Party position. Let me take a bet that Senator Crossin will not do that, because Senator Crossin is prevented by her party from standing up and saying that the goods and services tax will be abolished because it now forms part of the Labor Party policy. Senator Crossin, you again have shown the complete hypocrisy of the Labor Party on taxation issues.

Internet: Gambling

Senator TCHEN (2.54 p.m.)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Richard Alston. Would the minister inform the Senate of the findings of any recent international studies into the harmful effects of Internet gambling? Would the minister also inform the Senate of how the government is committed to strong and decisive action to protect Australian families from Internet gambling? If the minister has time, can he inform the Senate whether he is aware of any alternative policy approaches and what would be their impacts on Australian families?

Senator ALSTON—That is a very important question from Senator Tchen. I will try and cover all aspects of it for you. It is true, if you look at the experience in the US so far, that Internet gambling has had devastating impacts on very many people. Something like a million people a day are now gambling on the Internet. It is generally the low income and younger people, but there are examples of people at all levels whose lives have been devastated by Internet gambling. There are predictions that the number of Americans gambling on the Internet will more than treble by 2004 and the revenue take will increase by up to 10 times in that period.

Senator Conroy—Are you going to vote for Louise Asher?

Senator ALSTON—I know Senator Conroy has no compassion, now that he has made the big leap out of that retirement village in the union stronghold, has come up here and is enjoying himself, but he ought to just remember back to his roots. Senator Conroy tried to run for Gellibrand, till he was knocked off, so you would have thought that he would have some interest in the plight of those people who can certainly not afford to pay—

Opposition senators interjecting—

Senator ALSTON—I was talking in the third person, Madam President—who can certainly not afford to lose those sorts of amounts. The critical problem is that online gambling is accessible 24 hours a day. Some of the sorts of tricks they play in the US are not just not refunding money, but they will actually withhold it for up to five days, so of course within that time, even if you have had a win, you have succumbed to temptation and you have given it all back again. It is a very tragic situation. People do not have the shame. They sit in their homes. It simulates the gambling experience but it is much quicker. You lose your money just at the click of a button; it is all there. You do not even know what is going on. You might be having a drink late at night. You might be playing the Internet, as some of these problem gamblers have been doing, while the rest of the family is asleep, and at the end of the day you have blown it all. It really makes you wonder why it is that the Labor Party is simply prepared to sit back and allow this quantum increase in social misery to occur. It is not as if the Labor Party—

Senator Conroy interjecting—

The PRESIDENT—Order! Senator Conroy, shouting in that fashion is disorderly.

Senator ALSTON—I think we know why they are squealing over there. It is because they have not an ounce of social compassion. They have had 12 months to come up with an alternative approach, but instead all they do is sit on their hands and say, ‘We’ve got a few principles and a few directions.’ Well, we know how many principles
they have over there. They certainly have not developed any that are relevant to this debate. They simply want to do nothing. That is the tragedy of it. Why is Kim Beazley—

The PRESIDENT—Mr Beazley, Senator Alston.

Senator ALSTON—Why is Mr Beazley wanting to put the interests of the gambling industry ahead of Australian families? Indeed, when it comes to that they have a long track record of putting the interests of multinationals ahead of consumers. In fact, I remember Mr McMullan saying that the trouble with our legislation on CDs is that we were paying too much attention to the interests of consumers. It is the same here. They are not interested in the welfare of Australian families. They are not prepared to do anything about it, not even to acknowledge the problem let alone to recognise that this is a very serious social disease that is only in its infancy and requires strong action. The states have demonstrated they are totally unable to cope with it and not prepared to take any serious steps on regulation or anything else, and yet the Labor Party seem to have no interest at all in tackling this problem. There are ways in which you can tackle this problem. You can at the very least slow it down. But, no—the Labor Party doesn’t even seem to be interested in doing that. (Time expired)

Senator TCHEN—Madam President, I ask a supplementary question. I did ask the minister whether he was aware of any alternative policy approach to the government’s strong and decisive action to protect Australian families. I heard the minister mention something about what the Labor Party is not doing. I wonder whether the minister perhaps can enlarge on that, whether the Labor Party actually has any policy.

The PRESIDENT—Order! It is out of order to ask the minister to comment on Labor Party policy.

Senator TCHEN—I am sorry. My question was on alternative policies. Perhaps I did not phrase it properly. My original question asked for alternative policy approaches. The minister mentioned the Labor Party, and I was wondering what the other alternatives are.

The PRESIDENT—That portion of the question is out of order. Anything else the minister may answer.

Senator ALSTON—I am aware that people like Senator Woodley who have taken a lifetime interest in this subject have alternative approaches, I am aware that Senator Brown has an alternative approach and I am sure that now Senator Ridgeway is back he would have positive views on the extent to which this is a problem and whether something should be done about it. All that highlights the fact that the major party in this country, the alternative government, is simply not prepared to recognise the seriousness of the problem. If we were debating some aspects of the approach, that would be one thing. But to simply have no policy approach at all—to effectively want to sweep this under the carpet—and for there to be puerile remarks from the Leader of the Opposition, Mr Beazley, that this is a stunt! What has happened is that he has been asleep at the wheel. He has allowed Senator Lundy to run around pretending this is an IT issue when it is not. It is a social issue on which Mr Beazley is totally indifferent and on which he has no social compass and no value system to guide him. (Time expired)

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

ANSWERS TO QUESTIONS WITHOUT NOTICE

Economy

Senator CONROY (Victoria) (3.02 p.m.)—I move:

That the Senate take note of the answers given by the Assistant Treasurer (Senator Kemp) to questions without notice asked today relating to the economy.

Once again we have had exposed the paucity of the defence of the Prime Minister. It has become impossible to defend the untruths of the Prime Minister and his misleading of the Australian public. We need only go back to 1995 when he was asked about the GST. We got the famous 'never, ever': 'We will never, ever have a GST.' That one did not last too
long, because he was dragged screaming and kicking into the GST debate, despite trying to claim credit for it later. Where did he go after ‘never, ever’? He then said, ‘No-one will be worse off under the GST.’ That was one of his core promises but it is looking pretty ratty at the moment. You only have to look at the latest poll in the Sydney Morning Herald to know what Australians think about the impact of the GST on their lives. You may well take a leaf out of the Treasurer’s book, Senator Mason, and sit there smirking. But Australians know when they have been dunned. They know that they are worse off: 62 per cent of Australians said that they are worse off under the GST. That was the other great un-truth that he told the Australian public: ‘Look, even if you are not much better off, the country needs it. The country will be better off.’ What has the GST now done to the country? You only have to pick up the newspapers this morning to see. Finally, the GST cheer squad has had to face up to reality; it has had to face up to the fact that the GST has sent this country into a recession. It has sent us backwards. When we dare to mention the fact that we have had negative economic growth, the government tell us we are talking the economy down!

Ordinary Australians are not going to be fooled by this. They know that they have been dunned. They know that the Prime Minister went on talkback radio during the election and was asked quite a simple question by a publican about the price of beer. The Prime Minister said that the price of ordinary beer would go up by only 1.9 per cent. What we have seen for the last 12 months is this Prime Minister continuing to try to mislead the public. Even now, when he is faced with defeat, he cannot bring himself to tell the truth. The truth is that the GST is sending beer prices up by nearly 10 per cent but he could not bring himself to admit that. Now, finally, we are seeing in the Senate the opposition, the Democrats and the other minor parties hold this deceitful Prime Minister to his promise.

The DEPUTY PRESIDENT—Order! Senator Conroy, please withdraw that unparliamentary language.

Senator CONROY—I withdraw.

The DEPUTY PRESIDENT—Thank you.

Senator CONROY—And there is not just a GST on beer; there is a GST on petrol. Remember when the Prime Minister told us, ‘No, petrol prices will not go up under the GST’? What happened? Eight months later, there was a devastating defeat in the seat of Ryan in Queensland—a seat Senator Mason has manipulated and orchestrated for years, trying to get his candidate up. He has failed again. Hopefully he will get a second chance to get his candidate up. We will support you getting another ballot in Ryan, Senator Mason, so you can get your candidate up—

The DEPUTY PRESIDENT—Address the chair, please, Senator Conroy.

Senator CONROY—Sorry, Madam Deputy President. And then we had the big promise; the really big porker—that small business would be better off and that there would be a 50 per cent cut in red tape. On the Sunday small business program, the Prime Minister was confronted by this promise. He had to duck, weave and hide yet again, because he knows that he has delivered the mother of all red tape programs to small business. He is destroying small business in this country. A combination of the GST cash flow and the business activity statement is sending businesses to the wall.

Don’t think the pensioners did not get caught out here; don’t think the pensioners did not get scammed. The Prime Minister told all pensioners that they were going to be $1,000 better off. They were each going to get $1,000, yet some of them received the measly amount of 6c in the mail. Can you imagine receiving a cheque from the government for 6c? What a joke. Once again the Prime Minister was caught red-handedly misleading the Australian public, and they will not forget it. Beer drinkers will not forget; drivers of cars will not forget. Small businesses certainly did not forget in Ryan. The pensioners in this country know they have being dunned. They know exactly what
the government did and the results of that will be seen in caucus tomorrow. *(Time expired)*

**Senator MASON** *(Queensland)* *(3.07 p.m.)*—Again we have heard from Senator Conroy that Labor do not believe in tax reform. They support the wholesale sales tax. They believe that the wholesale sales tax was the way for Australia to go. I have often said that the most deceitful and most appalling act that the Australian Labor Party have been a part of since my time in parliament—over 18 months—has been not their opposition to the GST but their opposition to it knowing that it had to happen. They know that this country demanded strong exports and taxation reform and they know that the system had to change. Every advanced economy on earth has a goods and services tax or a value added tax, but the Australian Labor Party, along with Botswana, are against it. They say that we do not need one, that Australia does not deserve the chance to move forward.

I have often said also in this place, ‘Do not listen to what the Australian Labor Party say’—including Senator Conroy—‘but remember what they did when they were in office.’ Remember what inflation was like, remember how much home mortgages cost, remember interest rates and remember the $80 billion they put on the credit card in their last five years, of which this government has paid back $50 billion over the last five years.

More than that—and I do not want to keep quoting myself; that would be plagiarism; we would not want that—I am going to quote the Australian Labor Party. We in this party say that the ALP are not fit to govern. Their two factions, we say, do not understand this country. And do you know what? The ALP agree with me. Let me quote from an article by Alan Ramsey in today’s *Sydney Morning Herald*. He said, quoting the member for Werriwa, Mr Latham:

> As ever, the interests of the Left are totally abstracted from the mainstream concerns of working-class people.

They are. The left wing of the Australian Labor Party are irrelevant. Let me quote the member for Reid, Mr Laurie Ferguson. He said in relation to the Australian Labor Party and the right wing:

> I turn to his convoluted conspiracy theories of the right. They owe more to the ‘Protocols of the Elders of Zion’ or Piltdown man than to contemporary reality.

In effect, the Left is irrelevant and the Right has no moral compass—no principles. If the Australian Labor Party win the next election, it will be an absolute nightmare. We will have my good friends Senator Carr and Senator Faulkner coming into this chamber, and the Left will tell us how to run an economy. We will have the Left of the ALP telling us how to run a modern, advanced capitalist system and how to get hold of a big budget surplus. That is what they will be telling us. It is a horrible thought. And the right wing of the Australian Labor Party will be telling us, ‘You have to care for each other. You have to love each other. You are men of principle; we are men of devotion.’

Can you imagine Senator Conroy telling us that? He will be saying, ‘I believe in ideals.’

The Right will be saying, ‘Power is not actually that important.’

There is going to be this absolutely horrific display from the Left and from the Right.

**Senator Bartlett interjecting—**

**Senator Carr interjecting—**

**Senator MASON**—Amidst all this, Senator Bartlett, of course will be Mr Beazley.

**The DEPUTY PRESIDENT**—Order! Address the chair, please. Senator Carr, would you come to order, please. Senator Mason, address the chair.

**Senator MASON**—Amidst all this, Mr Beazley will be oscillating a course between a moral vacuum and irrelevance; oscillating between the Right and their moral vacuum and the irrelevance of the Left. After five years as opposition leader, he has come up with no policies. No-one knows what he stands for. If the Australian Labor Party were a rock band, they would be called ‘Swinging Kim and the Soulless Spivs’.

**Senator SCHACHT** *(South Australia)* *(3.12 p.m.)*—After that last contribution from the flat singer from Queensland, I rise to support this motion to take note of the answers—if you could call them that—given by Senator Kemp, the Assistant Treasurer. I
rise to speak on his answers because, like so many that he has given on behalf of the government, they are between stupid and ludicrous in his attempt to explain how they got the economy of Australia into such a ‘fine old mess’, to quote Laurel and Hardy.

I want to mention in particular small business. In 1995-96, when I was the small business minister, the then opposition promised, unequivocally, ‘Elect us and we will reduce paperwork for small business by 50 per cent.’ It was a significant promise. At the time I said, ‘Pigs would fly over parliament before you could deliver that.’ But a lot of small business people believed them and voted for them and supported them with financial donations for the campaign, et cetera. Now what do we find? Instead of reducing it by 50 per cent, it has gone the other way by an enormous amount.

It was pointed out the other day by an independent tax accountant that under this government the tax act will have gone from 3,000 pages to 8,500 pages, with the most recent amendments before the parliament, by the end of this year. And this is under the guise of tax reform! Every time in the past that people have talked about any reform it has always been about reducing regulation, reducing the requirement for people to fill in forms. With the BAS and the tax act it has absolutely gone the other way. There is nearly a threefold increase in the tax act. That is not reform; that is mad bureaucratic change that has done enormous damage to small business. When the Prime Minister was tackled about this issue only yesterday in an interview, he said about the promise of a 50 per cent reduction in regulation: ‘Well I can just say before I come to the issue that was not the biggest promise we made to small business.’

That is what he said: it was not the biggest promise. I did not think you had any difference between big and small promises. I know he started having core and non-core promises. Now it is big and non-big promises. This was a significant promise at the 1996 election. As the then small business minister, I know there were leaflets and television ads and there were speeches by the shadow treasurer at the time saying, ‘We will reduce it by 50 per cent.’ Now, on the record, he says it was not the biggest promise. That will come as a real surprise to the small business community in Australia, because they voted for the government in 1996 in droves on the basis of this sort of promise.

When they got into government in 1996 they had the Bell inquiry, but they said, ‘This is how you will meet the promise.’ They did not bother to tell Mr Bell, ‘By the way, we are going to increase the tax act by nearly 5,000 pages and we are going to give small business a business activity statement to fill in on a quarterly basis’—which has now gone back to a yearly basis but which still demands a real increase in bookkeeping and paper keeping records. And they also did not say there would be a need for small business to pay more to employ accountants to look after their affairs. Remember, this government promised every small business a $200 grant to help with the administration costs of the introduction of the GST. Independent accounting sources have said that, from one survey of small and medium sized businesses, the figure for what most small businesses had to spend to prepare for the GST was between $9,000 and $11,000. The government offered them $200 to pay for the extra paperwork.

It is an extraordinary performance by this government and, in particular, by the Prime Minister. He misled small business in 1996. He said he was not going to introduce the GST ever. After the 1998 election—he did not get a majority of the vote but he got a majority of seats—he introduced it, jacked up the paperwork and jacked up the cost to small business. Now, right across Australia, we have unlimited numbers of examples of small businesses going broke. (Time expired)

**Senator SANDY MACDONALD (New South Wales) (3.18 p.m.)—**The ALP are hopelessly confused about their response to tax and their approach to tax reform. They know what we have done is right and they know what we have done with tax reform has been correct public policy. They dislike the GST so much that they are going to keep it. Every day in the Senate the ALP criticise some aspect of the GST without telling the Australian people what the official Labor
Party policy is. They are hopelessly confused on any policy reform. We had the famous quote last week of the opposition leader, Mr Beazley, saying that if you do not have any policies, the issue of how you can afford them does not really come up. The opposition leader also says that he is going to roll back the GST. Well, let us wait and see, let us see the colour of his eyes, because Labor have committed themselves to a GST rollback and the question is: what, where, when and how? If you roll back the GST it can only provide more complexity and it will mean that personal rates of tax can only be higher.

Labor have also promised that they are going to pay small business to collect the GST, they are going to hand back bracket creep, there is going to be more spending on education, more spending on health, more spending on training, more spending on regional infrastructure and increased funding for the states. The states already get the GST. The question is: how will Labor fund these promises and, at the same time, maintain the surplus? There is absolutely no possibility that they can. Labor can only do this by increasing taxes or running up the deficit and debts, as they did between 1992 and 1996 when the Commonwealth debt trebled from around $30 billion to $96 billion. The coalition government has substantially reduced that public debt—around $50 billion of it has been reduced. That has meant that interest rates have been lower and that the government has been able to spend our taxes in a way that has improved the economy and has helped people much more than high interest rates could ever do.

The government acknowledged that the introduction of the GST would be associated with a bring forward in housing construction and a consequent lull in activity after the GST’s introduction. However, this lull is expected to be only transitional. As forecast in the government’s 2000-01 Midyear Economic and Fiscal Outlook, dwelling investment is expected to decline in 2000-01 following a very strong growth over the last three years. The key factor underlying this forecast is the unwinding of the bring forward of building activity ahead of the GST in 1999-2000. More moderate population growth is also expected to exert a negative growth influence on new dwelling construction. To maintain home affordability, the government has required the states and territories to assist home buyers through the introduction of the First Home Owners Scheme as a condition of receiving GST revenues. This, of course, has now been extended, and any real estate agent will tell you it is already having a very substantial impact in the pick-up of the real estate industry. This announcement was made on 9 July and the stimulus will build on the positive confidence effects arising from recent reductions of official interest rates, with indications that further interest rate falls will be coming. The First Home Owners Scheme is encouraging first home buyers into the market and is cushioning the building sector’s present downturn.

The housing affordability index rose 25 per cent for the September quarter. The report also notes that the loan repayment needed on a typical first home mortgage fell from $1,248 a month to $1,088 a month—nearly $200 a month. As 80 percent of Australians earn less than $50,000 a year, that is a very substantial monthly gain. The Australian Financial Review today indicated:

An overwhelming majority of economists surveyed... said implementation of the new tax system was the most important factor contributing to the economy’s slowdown in late 2000.

Following very strong rises in mid-1999, leading indicators of housing activity declined considerably—(Time expired)

Senator HOGG (Queensland) (3.23 p.m.)—I rise to speak this afternoon about the fact that beer, which was promised to go up by only 1.9 per cent, went up by substantially more, even to the order of 10 per cent. This was under the never ever tax that we were never supposed to have, the GST. The government had given ostensibly a core promise—ordinary Australians believed that they would not see the price of beer rise by more than 1.9 per cent. In effect, it did and they now see that another core promise has gone by the wayside.

What is appalling in this case is that the government have set about trying to shift the
They are trying to shift the blame to the poor drinkers because they claim now that the drinkers did not know the difference between ordinary beer and draught beer. I do not know about many people around this place, but I have enjoyed a drop over a long period of time and beer is beer. No-one ever distinguishes between ordinary beer and draught beer. The expectation would clearly have been that the price of beer, regardless of whether it was called ordinary or otherwise, would rise no more than 1.9 per cent under the GST. But the government messed it up. Drinkers have now been saddled with the extra increase under the GST because the government refused to adjust the excise.

The government is in denial mode, trying to shift the blame to drinkers and using weasel words, slipping and sliding, to get out of a promise. A lot of ordinary Australians have been hurt by what the government has done. The government has now tried to retrace its steps and retract its position by saying that the 1.9 per cent increase applied only to ordinary beer. Any ordinary, average, sensible Australian would see that that is a nonsense. The government is in desperate need of a scapegoat, trying to pin the blame somewhere else.

The Australian Brewers Association, on this issue, challenged the government and said that they would establish a special fund if the effect of the GST was reduced on draught beer. What they were going to do—and what they advocated—was not that the money come back into the hands of the brewers but that the money go to a charitable organisation which would address medical issues out there in the broader community. Of course, the government could not stand that. The government had been beaten to the punch and outflanked by the brewers on this issue. The government then tried the only option available to them, which was to attack the brewers and then, when the issue got support from Labor and the Democrats, the government tried to attack both Labor and the Democrats.

At the end of the day, the people know truth. The people know that the government broke a core promise; the people know that the government had the temerity to attack the integrity of the brewers when they themselves were at fault by breaking their own promise. It is pretty rich of the government to stand up and try to shift the blame to other people, to say that others should bear the responsibility for their own actions.

Question resolved in the affirmative.

Environment: Kyoto Protocol

Murray-Darling Basin: Salinity

Senator Bartlett (Queensland) (3.28 p.m.)—I move:

That the Senate take note of the answers given by the Minister for the Environment and Heritage (Senator Hill) to questions without notice asked by the Leader of the Australian Democrats (Senator Lees) and Senator Bartlett today relating to the environment.

In relation to the question from Senator Lees, the response by the Minister for the Environment and Heritage was completely inadequate, particularly given the incredible urgency and importance of the issue of the move of the US government to back away from the Kyoto protocol. The economic risk that that puts Australia at—let alone the environmental risk—is huge. As we are having a debate on that matter in a few minutes
time, I will not go on further about that, but I thought it appropriate to note the answer, because it is a significant issue.

Senator Hill also responded, in a manner of speaking, to a question I asked in relation to water flows and water issues in the Murray-Darling Basin, another incredibly enormous and urgent environmental and economic issue for Australia—certainly for all of the eastern states and South Australia. The answer highlighted the lack of ability and lack of will of this federal government to do anything about this crucial issue. There is no doubt that everyone acknowledges it as a crucial issue but, as we have seen with the land clearing problem—which is actually contributing to the salinity issues and water quality issues in the Murray-Darling Basin—whilst everyone is willing to agree that it is a problem, no-one is willing to act to address the problem.

There is no doubt that the federal government has the power to act in relation to water management issues, as the House of Representatives Standing Committee on Environment and Heritage report, which came down just at the end of last year, indicates. It is quite an impressive report—without sounding belittling, particularly given that it was chaired by the National Party MP Mr Causley—and its recommendations were unanimous. There were a lot of incredibly positive, environmentally strong recommendations in that report. The other thing to emphasise is that the report clearly acknowledges that the federal government does have power, constitutionally and legally, in relation to water management issues if it chooses to use it. The key problem is that the federal government is choosing not to use that power, even though it clearly has it.

The concern that the Democrats have is that once again we have a major environmental problem, ongoing enormous damage occurring and no action—just more and more talk and another six months of examination and consideration of the issues. There is no doubt that more work needs to be done in terms of finetuning the scientific evidence about exactly how much extra water flow is needed, but there is no doubt that extra water flow is needed, so let us get moving on that now. There was one positive development out of the ministerial council meeting last Friday: to provide $60 million for salinity measures. But, again, if you are providing money and spending money to fix a problem whilst doing nothing to halt the actions that are making the problem worse, then you are really just wasting that money. All you will do is provide a very short-term hiatus in an otherwise ongoing enormous environmental problem.

There is still nothing being done to halt the land clearing in Queensland and in New South Wales that is contributing to this problem. There is nothing being done to ensure that revegetation occurs, nothing being done to increase water flows throughout the whole Murray-Darling Basin and nothing being done to force not just the imposition of caps in Queensland but the meeting of those caps. Even other states, such as New South Wales, that have caps are not enforcing them—in the same way as New South Wales, which has its land clearing controls, is also quite clearly not enforcing the controls. There is not much point in having the controls if you are not going to enforce them. Unfortunately, Australians throughout the eastern states and in Adelaide are paying the price. It is an economic price as well as an environmental price that future generations will have to pay.

The concern the Democrats have is that there is still no political will. If you look at the comments from Mr Truss and Mr Anderson, it is not surprising that there is no political will from this federal government. Senator Hill, to his credit, is doing something on this issue to try and raise awareness of the problem, but it is quite clear that he is stuck as well. He cannot act: he does not even have the support of his own cabinet colleagues to act to increase water flows. In such a situation, it is no wonder that the coalition once again is failing to act. It is just a disgrace and a shame that Mr Beazley, the alternative Prime Minister, is not using his power and authority to get more action from the state Labor governments to at least address this issue.

The Bracks Labor government in part came to power because of concern about
water issues in that region. Let us see some actual action from Labor state governments to halt land clearing, to increase vegetation and to increase the water flow through those areas. Failure of political will on the part of both the Labor and the Liberal parties at state and federal levels is leading to this crisis being unaddressed and continuing to get worse, which will bring massive economic consequences and environmental consequences to future generations of Australians. The Democrats believe that the time to act is now. The federal government have the power and they should be doing so. (Time expired)

Question resolved in the affirmative.

PETITIONS

The Clerk—A petition has been lodged for presentation as follows:

Political Asylum

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

Whereas the 1998 Synod of the Anglican Diocese of Melbourne carried without dissent the following Motion:

That this Synod regrets the Government’s adoption of procedures for certain people seeking political asylum in Australia which exclude them from all public income support while withholding permission to work, thereby creating a group of beggars dependent on the Churches and charities for food and the necessities of life;

and calls upon the Federal government to review such procedures immediately and remove all practices which are manifestly inhumane and in some cases in contravention of our national obligations as a signatory of the UN Covenant on Civil and Political Rights.

We, therefore, the individual, undersigned Members of St John’s Anglican Church, Cranbourne, Victoria 3977, petition the Senate in support of the abovementioned Motion.

by Senator Tchen (from 24 citizens).

Petition received.

NOTICES

Presentation

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

That the following bill be introduced: A Bill for an Act to amend legislation relating to agricultural and veterinary chemicals, and for related purposes. Agricultural and Veterinary Chemicals Legislation Amendment Bill 2001.

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

That the time for the presentation of the report of the Select Committee on Superannuation and Financial Services on the provisions of the Parliamentary (Choice of Superannuation) Bill 2001 be extended to 9 August 2001.

Senator Jacinta Collins to move, on the next day of sitting:

That the Workplace Relations Amendment Regulations 2000 (No. 3), as contained in Statutory Rules 2000 No. 328 and made under the Workplace Relations Act 1996, be disallowed.

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

That the Senate—

(a) notes that the order for the production of documents relating to the Finance and Public Administration References Committee inquiry into the Government’s information technology outsourcing initiative, which was passed by the Senate on 26 March 2001, has not been complied with; and

(b) requires that the acting Minister for Finance and Administration provide to the Finance and Public Administration References Committee, by no later than the adjournment of the Senate on 4 April 2001, all documents listed in that order.

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

That the Senate calls on the Government to ratify the Kyoto Protocol on climate change.

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (3.34 p.m.)—I give notice that, on the next day of sitting, I shall move:

That the provisions of paragraphs (5) to (7) of standing order 111 not apply to the Crimes Amendment (Age Determination) Bill 2001, allowing it to be considered during this period of sittings.

I also table a statement of reasons justifying the need for this bill to be considered during these sittings and seek leave to have the statement incorporated in Hansard.

Leave granted.

The statement read as follows—
CRIMES AMENDMENT (AGE DETERMINATION) BILL 2001

Purpose of the bill
The Crimes Amendment (Age Determination) Bill 2001 (‘the Bill’) contains important measures to permit prescribed procedures to determine a person’s age, where that person is suspected of having committed a Commonwealth offence, or charged with a Commonwealth offence, and where it is not practicable to determine a person’s age by other means.

Reasons for Urgency
Recently, the Northern Territory Supreme Court in *R v Hatim, Kadir and Others* [2000] NTSC 53 decided that section 258 of the Migration Act 1958 (Cth) could not be relied upon to take wrist x-rays to determine a person’s age.

Since that decision Commonwealth law enforcement agencies have been unable, in some cases, to determine a person’s age in order to treat that person as a juvenile or as an adult. It is important to bring certainty to this issue, as soon as possible after a suspect’s apprehension, in order to ascertain whether:
- the special investigatory safeguards for juveniles are applicable;
- the person should be detained in an adult or juvenile detention facility;
- the person should be prosecuted in an adult or juvenile court; and
- a conviction should lead to adult or juvenile punishment.

The Bill will provide a mechanism to fairly determine a person’s age early in the investigative process.

If the Bill is not considered, until June 2001 it is likely that in a number of instances Commonwealth law enforcement agencies will not know whether to treat alleged offenders as adults or juveniles. A continuing spectre of uncertainty may result in adults being mistakenly detained with children. This is unsatisfactory.

As soon as the Bill was introduced into the House of Representatives on 7 March 2001, the Selection of Bills Committee immediately referred the provisions of the Bill to the Senate Legal and Constitutional Committee. The Senate Legal and Constitutional Committee expedited its consideration of the provisions of the Bill and released its report on 27 March 2001. These efforts were undertaken in recognition by the Senate Legal and Constitutional Committee that the Bill required expedited consideration by the Parliament.

(Circulated by authority of the Minister for Justice and Customs)
Australian Prudential Regulation Authority Act 1998

he Instrument specifies the charge to be paid to APRA by persons participating in a conference to be held by APRA in April 2001. The instrument is made under paragraph 51(1)(a) of the enabling Act, which states that APRA may, by written instrument, fix charges to be paid to APRA by a person in respect of services and facilities APRA provides the person. The Committee has sought the Minister’s advice on whether the intention behind paragraph 51(1)(a) is that it should apply to a conference registration fee.

National Health (Pharmaceutical Benefits) Amendment Regulations 2000 (No. 1), Statutory Rules 2000 No. 369

The Regulations prescribe the bodies that may nominate persons for selection for appointment as members of the Pharmaceutical Benefits Advisory Committee.

Paragraph 100B(1A)(b) of the National Health Act 1953 requires that a person must be appointed from nominations made by “professional associations of health economists”. However, new subsection 38A(2) of the Regulations states that “For paragraph 100B(1A)(b) of the Act, the following professional associations of economists are prescribed”. The Committee sought advice on why the new subsection appeared to provide for representation beyond the scope of the enabling Act. The Minister advised that the subsection would be amended to make it consistent with the Act.

The Committee also noted that paragraph 38A(2)(b) prescribes the Economic Society of Australia Inc. as a body that may nominate persons for the purposes of paragraph 100B(1A)(b) of the National Health Act 1953. The Committee has sought further advice on whether the Economic Society of Australia Inc. is a professional association of health economists.

Recognition of Representative Aboriginal/Torres Strait Islander Body 2001 (No. 1) made under subsection 203AD(1) of the Native Title Act 1993

The instrument recognises the Cape York Land Council as the representative Aboriginal/Torres Strait Islander body for the area of Cooktown. This recognition was signed by the Minister on 16 January 2001, but is expressed to have taken effect on the previous day, 15 January 2001. The Committee sought the Minister’s advice on the reason for this retrospective commencement date. The Minister responded that the Commonwealth Government Solicitor advised that the instrument was valid. The Committee has sought a copy of the legal advice.

Renewable Energy (Electricity) Regulations 2001, Statutory Rules 2001 No. 2

The Regulations provide a process of accreditation of power stations, specify criteria for determining what are eligible renewable energy sources, specify a formula for determining the amount of electricity generated by an accredited power station, make other provisions in relation to solar water heaters and small generation units, specify how the amount of electricity acquired under a relevant acquisition and the capacity of a grid are to be determined, and provide for other reporting and administrative matters.

Regulation 3 defines the terms ‘native forest’ and ‘plantation’ in terms of definitions found in the Native Forest Policy Statement. The National Library advises that it has no holdings of the Policy Statement. Further, the Regulations states that the ISBN of that Policy Statement is 0 644 46430 5. The Committee, however, has been advised that the correct number for this Statement is 0 642 18239 6. The Minister advised that the ISBN had been incorrectly cited and the reference would be amended. The Committee sought further advice as to whether it would be more appropriate to include the meanings given to these terms in Regulation 3, rather than having a definition by cross-reference.

Item 1 of Schedule 2 to the Regulations deals with revocation of accreditation. The heading to the Item refers to paragraph 4(2)(b) of the Regulations. Firstly, that paragraph states that Schedule 2 sets out guidelines for eligibility and revocation of eligibility for accreditation. The Committee notes that Schedule 2 does not expressly provide guidelines for eligibility for accreditation. Secondly, paragraph 4(2)(b) is expressed to be made for the purposes of subsection 14(4) of the Act. However, there does not appear to be any reference in that subsection, or in any part of section 14, to the revocation of accreditation. The Committee sought advice on the legislative basis for the provisions in Schedule 2 of the Regulations. The Minister responded that the Office of Legislative Drafting advised that provisions of the Acts Interpretation Act 1901 provided the legislative basis for the revocation of accreditations. The Committee has sought a copy of this advice.

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (3.35 p.m.)—I give notice that, on the next day of sitting, I shall move:

That the provisions of paragraphs (5) to (7) of standing order 111 not apply to the Electoral and Referendum Amendment Bill (No. 1) 2001, al-
allowing it to be considered during this period of sittings.

I also table a statement of reasons justifying the need for this bill to be considered during these sittings and seek leave to have the statement incorporated in Hansard.

Leave granted.

The statement read as follows—

ELECTORAL AND REFERENDUM AMENDMENT BILL (No. 1) 2001

**Purpose of the Bill**

To amend the Commonwealth Electoral Act 1918 to:

- allow persons who are enrolling or voting from overseas to provide a certified copy of particular sections of their current passport as verification of their identity in the case where they cannot find an authorised witness;
- provide that Divisional Returning Officers (DROs) and Australian Electoral Officers (AEOs) may reject applications for enrolment from persons who have changed their names to something ‘inappropriate’ (eg. fictitious, frivolous, offensive or obscene). However, there will be appeal rights against a decision to reject such a name;
- allow for the provision of electronic lists of postal vote applicants to candidates and registered political parties following a general election and to members of the House of Representatives (HOR), Senators and registered political parties following a referendum held separately to a general election;
- allow for the amendment or withdrawal of a Group Vot

ing Ticket (GVT) or Individual Voting Ticket (IVT) statement up until the closing time for lodgement of such statements;
- provide that Senate nomination deposits are to be returned to the person who paid the deposit;
- allow, prior to the close of nominations, for the substitution of a candidate in a bulk nomination, where a candidate who was part of that bulk nomination withdraws their consent, or dies prior to the close of nominations;
- provide that where a person has cast multiple declaration votes, and these are detected at the preliminary scrutiny, that only one of the votes will be admitted to the further scrutiny;
- provide that all ballot papers are to be initialled on the front top right-hand corner;
- allow for the display of GVT and IVT information in pamphlet form as well as in poster form;
- provide that the registered abbreviation of a political party name may be only an acronym or a shortened version of the party name; and
- provide the Australian Electoral Commission (AEC) with a power to review the continuing eligibility of registered political parties.

**Reasons for Urgency**

This bill will contain amendments resulting from those recommendations made by the Joint Standing Committee on Electoral Matters in its 1998 federal election report which the government supported and which require legislative change. The amendments in this bill are considered to be “technical” in nature and likely to receive bipartisan support in the parliament. The amendments will result in improvements to the conduct of federal elections which should be implemented prior to the next federal election.

(Circulated by authority of the Special Minister of State)

**COMMITTEES**

Rural and Regional Affairs and Transport References Committee

Meeting

Motion (by Senator Bartlett, on behalf of Senator Woodley)—by leave—agreed to:

That the Rural and Regional Affairs and Transport References Committee be authorised to hold a public meeting during the sitting of the Senate today from 4.30 pm, to take evidence for the committee’s inquiry into the incidence and management of Ovine Johnes’ disease in the Australian sheep flock.

**NOTICES**

**Postponement**

Items of business were postponed as follows:

General business notice of motion no. 852 standing in the name of the Leader of the Opposition in the Senate (Senator Faulkner) for today, relating to the financial interests of the Minister for the Arts and the Centenary of Federation (Mr McGauran), postponed till 5 April 2001.

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 3 April 2001.

Government business notice of motion no. 1 standing in the name of the Parliamentary Secretary to the Minister for Communica-
General business notice of motion no. 862 standing in the name of the Leader of the Australian Democrats (Senator Lees) for today, relating to alleged breaches of the Forestry Practices Code 2000, 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 3 April 2001.

General business notice of motion no. 881 standing in the name of Senator Greig for today, relating to shark finning and unsustainable shark fishing, postponed till 3 April 2001.

HEALTH: DENTAL SERVICES
Motion (by Senator Lees) agreed to:
That the Senate—
(a) notes that:
(i) there has been a decrease in the number of general practitioners who bulk bill, particularly in rural and regional areas,
(ii) increases in co-payments for pharmaceuticals have made medication less affordable for people on low incomes,
(iii) the abolition of the Commonwealth Dental Health Program has left public dental services unable to cope with the demand for treatment, and
(iv) these increases have resulted in people on low incomes, in particular pensioners, being unable to pay for the medical and dental treatment that they need; and
(b) calls on the Government to:
(i) act immediately to increase the rates of bulk billing,
(ii) restore funding to the Commonwealth Dental Health Program to reduce excessive waiting times for public dental treatment, and
(iii) implement a review of the combined effects of increased costs and co-payments for medical and dental services on people on low incomes.

ENVIRONMENT: KYOTO PROTOCOL
Motion (by Senator Brown) agreed to:
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.

COMMITTEES
Economics References Committee
Meeting
Motion (by Senator O’Brien, on behalf of Senator Murphy) agreed to:
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 take evidence for the committee’s inquiry into mass marketed tax effective schemes and investor protection.

INTERNATIONAL CRIMINAL COURT: STATUTE
Motion (by Senator Greig) agreed to:
That the Senate calls on the Government to introduce legislation to ratify the Statute of the International Criminal Court.

MATTERS OF URGENCY
Kyoto Protocol
The DEPUTY PRESIDENT—I inform the Senate that the President has received the following letter, dated 2 April, from Senator Allison:

Dear Madam President

Pursuant to standing order 75, I give notice that today I propose to move:

“That in the opinion of the Senate, the following is a matter of urgency:

“The need for the Senate to support the Kyoto Protocol to reduce greenhouse gas emissions and to not support the policy reversal by the Bush Administration or ill-conceived statements by Federal Ministers suggesting Australia should
join the United States in not ratifying the Protocol in light of the serious economic and social implications for Australia of not constraining greenhouse emissions worldwide."

Yours sincerely,

Senator Lyn Allison

Is the proposal supported?

More than the number of senators required by the standing orders having risen in their places—

The DEPUTY PRESIDENT—I understand that informal arrangements have been made to allocate specific times to each of the speakers in today’s debate. With the concurrence of the Senate, I shall ask the clerks to set the clocks accordingly.

Senator ALLISON (Victoria) (3.40 p.m.)—I move:

That in the opinion of the Senate, the following is a matter of urgency:

“The need for the Senate to support the Kyoto Protocol to reduce greenhouse gas emissions and not to support the policy reversal by the Bush Administration or ill-conceived statements by Federal Ministers suggesting Australia should join the United States in not ratifying the Protocol in light of the serious economic and social implications for Australia of not constraining greenhouse emissions worldwide.”

It is a matter of urgency that the Senate today shows its support for the Kyoto protocol to reduce greenhouse gas emissions. Our government is clearly faltering on this question, and it is very important that the Senate makes it very clear that it does not agree with the United States. The US is the wealthiest nation on earth and the biggest emitter of greenhouse gases. We do not agree that it is in anyone’s economic interests for the Kyoto protocol to fail. The Senate also should not agree that if the United States pulls out then the protocol is over, but that is what Senator Hill has said in the last couple of days. He has said:

I don’t think the Kyoto protocol will succeed without the United States.

Minister Truss was a bit more enthusiastic. He said:

This particular protocol is obviously not going to go too far if the biggest emitter in the world is not prepared to be party to it. Obviously there is not a great deal of point in Australia undertaking deep cuts in our greenhouse emissions if in fact our neighbours are not taking similar action.

Of course, Australia is not undertaking deep cuts. It has negotiated an increase on 1990 levels, but that is beside the point. This is an old, worn-out argument that is trotted out by every big energy consuming country and by greenhouse emitters in this country. No doubt Senator Minchin and Ministers Truss and Tuckey are delighted with developments over the last couple of days, but I think the Senate should demonstrate that it is not.

The argument that if America pulls out then we should as well does not hold water, unless we are prepared to see our whole economy put at risk because a few aluminium smelters and other energy intensive industries imagine that they will not be able to continue to get cheap electricity for much longer under Kyoto. President Bush, like our Prime Minister, is being influenced by this small but very powerful sector. President Bush is also ignoring the very clear evidence that both countries run a high economic risk in undermining Kyoto. The cost of not acting to constrain greenhouse emissions is very high indeed, and I urge honourable senators to read the report of the environment committee that was tabled in November last year on Australia’s greenhouse future. It outlines the dangers to Australia of not having global agreement to reduce emissions. It makes sense to start with developed countries, judging by our emissions, which are the highest per capita in the world. We have the lowest target for reduction, which we are exceeding by 17 per cent already. Furthermore, we do not have the policies in place to bring down those emissions for the commitment that we made in signing Kyoto.

Let us talk about why it is in Australia’s interests to urge the United States government to come on board and, if it does not, to distance ourselves from America and to look to the UK, Japan and Europe for leadership on this issue. It is obviously preferable but not absolutely essential to have the United States on board. The Pacific nations are often said to be the countries at greatest risk of global warming and climate change because of increases in sea levels, but let us have a
look at the risks of Australia not doing anything. We have a large landmass. Much of it is semiarid and subject to droughts. We have extremes of temperature. We have a high level of vulnerability to the cycles of El Nino and La Nina. We have dependence on Middle East oil and on energy intensive, fossil fuel based industry.

Add to that a very long coastline, soil salinity problems, temperatures that are already higher than optimal for agriculture in many regions and dependence on irrigation, agricultural export and tourism—bearing in mind that $1 billion a year comes in from the Great Barrier Reef alone; the reef is very vulnerable to increases in temperatures, and we have already seen great damage done to it. That all adds up to Australia having a very strong national interest in avoiding climate change. Scientists say we can expect worsening problems of land degradation, weed and pest infestation, vector borne diseases, changes in river flows, flood frequencies and nutrient and sediment outputs. Coral reefs are extremely sensitive—a one degree Centigrade increase has already caused significant coral bleaching off the Queensland coast and two coral reefs off Townsville have been irreversibly damaged by 1998 increases in sea temperature. We could see longer maturity times for forests, which will increase the financial risks involved in plantations. Decreased water run-off is expected over most of Australia and is estimated to be 30 per cent in the Murray-Darling Basin alone by the year 2050. Those predictions are based on modelling by international scientists.

ABARE modelling on the cost of emissions abatement has consistently overlooked the costs of not acting and the potential savings in energy efficiency. For example, ABARE’s modelling said that our economic growth will be inhibited by a mere 0.6 per cent by the year 2010. In that same period, our GNP is expected to rise by 30 per cent to 40 per cent, so it is not reasonable to say that there is a great threat from our doing the sorts of things that require us to abate our emissions.

There are great opportunities for Australia in abatement technology. Our scientists are world leaders in innovation, particularly in renewable energy and fuel efficiency. A low carbon using economy would also provide much more by way of jobs and manufacturing opportunities. There is also great potential for Australia to export its carbon accounting and atmospheric measurement technology. Australia is well ahead of many countries, with a domestic emissions trading system ready to go to trial. But that was stomped on recently by the Minister for Industry, Science and Resources. It would have given business a precautionary dress rehearsal for international emissions trading and would have been a least-cost approach to stimulating markets to abatement. (Time expired)

Senator TCHEN (Victoria) (3.48 p.m.)—Madam Deputy President—

Senator Bolkus—Where’s the minister? You’re an imposter.

Senator TCHEN—I am happy to pose as the minister, with your agreement, Senator Bolkus.

The DEPUTY PRESIDENT—Address the chair please, Senator Tchen.

Senator TCHEN—I was not sure whether Senator Bolkus was raising an objection to my presence in the chamber. Senator Allison’s motion raises some most interesting questions. Firstly, should the motion be debated by the Australian Senate, or is it something that should be debated by the United States Senate? Secondly, has the motion been moved by a junior senator from some nascent state of the United States of America rather than an Australian Democrats senator from the Australian state of Victoria? Is the motion simply a symptom of a Freudian yearning to be part of the real Democrats party rather than of the pseudo-Australian Democrats party? These are interesting and important issues because, without their being first resolved, this motion makes very little sense. Certainly its taking up of valuable time of the Senate as a matter of urgency cannot be justified.

Let me expand on this a little. This motion is in three parts. Firstly, the motion proposes that the Senate supports the Kyoto protocol to reduce greenhouse gas emissions. The simple fact is that the Senate is well aware—
indeed, Senator Allison is well aware, as she was the chair of this Senate committee inquiry into global warming—that Australia has a total commitment to meeting its obligation under the Kyoto protocol. This is made quite clear in the analysis of this report, which Senator Allison referred to and which was tabled in the Senate in November last year.

Secondly, this motion asks the Senate to not support the policy reversal by the Bush administration. I assume that this motion is referring to the Australian Senate, not the United States Senate. I think the Senate is well aware that any support given or not given to one country’s policy by another country is a matter between governments. It is a matter of government relationship. It is not an issue for the Australian Senate. The Australian Senate deals with domestic laws within Australia, with the domestic administration of Australia and with Australian internal and external policies.

The third point that this motion seeks to make is that it claims that there have been ill-conceived statements by federal ministers, suggesting Australia should join the United States in not ratifying the protocol in light of serious economic and social implications for Australia for not constraining greenhouse gas emissions worldwide. The reality is that those press statements that were attributed to various ministers were entirely consistent with statements the Prime Minister and other ministers have made—statements the government has made—since before the Kyoto conference was held in 1997.

The Prime Minister’s 1997 statement, issued before the Kyoto conference was held, stated quite clearly that Australia is committed to meeting its international obligations on the issue of global warming. However, the Australian government also has an obligation to ensure that any such action taken by the government is consistent with protecting the economic position of Australia in the global market and with protecting Australia’s domestic economic and social wellbeing. That is quite clear. That position has not changed since 1997, when the Prime Minister stated it. I must say that that position, notwithstanding the occasional rhetorical outburst from the opposition, has been supported by the Labor Party—although I cannot say the same about Senator Brown, who probably believes that Australia belongs to someone other than Australians.

This motion is therefore nonsense; however, let us take it in a serious manner, since Senator Allison has brought it in here. Firstly, let us look at the Kyoto protocol, to which it is argued Australia should commit itself, without reservation, even further than it has now. The Kyoto protocol was devised as a means to pursue an objective of the UNFCCC—that is, to achieve the stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous interference with the climate system. It also suggests that such a level should be achieved within a time frame sufficient to allow the ecosystem to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner. I emphasise that this is something the United Nations Framework Convention on Climate Change itself put down as a basic requirement—that it should enable economic development to proceed in a sustainable manner. The Kyoto protocol operates by means of proposing the establishment of greenhouse gas emission limits and a reduction commitment by each party to the protocol. The protocol requires each party to take action to ensure that their greenhouse emissions do not exceed their assigned limits and to meet their reductions with a view, then, hopefully, to reducing greenhouse gas emissions globally by at least five per cent below the 1990 level by between 2008 and 2012.

As a system the protocol is flawed. Because it is a very general provision, it has a number of problems within it that actually render it extremely difficult to operate. It is generally acknowledged that the pace of climate change will render the Kyoto protocol targets largely irrelevant. There are two reasons for this: firstly, the commitments described in the protocol are relatively modest compared with the projected future rates of global warming. But, more importantly, the protocol applies only to developed countries and does not set emission limits or reduction
targets for developing countries. And there is the rub: it has been widely estimated and accepted that emissions in developing countries will surpass emissions from developed countries before 2010. That, in fact, is the sticking point upon which the Bush administration has argued that the United States should not be committed to the protocol.

As the Minister for the Environment and Heritage advised the Senate earlier, the United States is the largest economy in the world, is the largest emitter of greenhouse gases in the world and has its own national interests. The United States government is also committed to maintaining the social and economic structure of the United States so that it is not damaged by any commitment the government might make to the reduction of greenhouse gas emissions. So it is quite reasonable for the United States to consider alternative approaches and to wait, and perhaps to argue, for a better system. There is nothing sinister about that and it should not be made a requirement that the United States must be a party to any decision of this nature. (Time expired)

Senator BOLKUS (South Australia) (3.58 p.m.)—I rise to speak in this debate on Senator Allison’s motion, and I must say at the outset that I find it incredible that the minister is not here to defend the government’s position on the most important environmental issue facing the world.

Senator Brown—Where is he?

Senator Calvert—He’s in Hobart.

Senator BOLKUS—The minister is not here. It is a dereliction of duty: he should be here to state the government’s position. He is in fact spitting chips; he spat the dummy on this issue. His attitude seems to be that, if his colleagues have hijacked environmental policy, if his colleagues Ministers Minchin, Downer and Truss have overtaken policy here, let them come and argue the case; he will not. I think it is very unfortunate. This minister has been left naked, without environmental credentials and without any environmental credibility. Unfortunately, the government of this country has been left without an effective environment policy on the most important environmental issue facing the world.

We believe that climate change is a serious issue. We believe that the Kyoto protocol is a major achievement and one that needs to be built on. We support the motion because we reject the US decision to walk away from the Kyoto protocol. We believe that the outstanding issues can be addressed, and had started to be addressed at The Hague just a few months ago. We support this resolution because we believe that the United States can be kept within the tent and that there needs to be real progress with respect to the Kyoto protocol, otherwise the world will be held back from implementing an effective regime for at least another decade. We support the resolution because we believe it is environmentally irresponsible to walk away from international commitments—commitments that are necessary in the interests of the world’s environment. We believe that walking away from the Kyoto protocol would betray the national interest. We believe that the government’s position—that is, because of the US position Australia is now experiencing a reprieve from its obligations—which is held by a dominant group of ministers, including the Prime Minister, is the wrong assessment. We also believe that Australia can and should play a very influential role over the next few months in order to keep the US in the tent, and it is a role that can be played through a number of forums. But the message that we have sent so far does not lead to that outcome.

We want the international deliberations to continue, in a constructive manner, under the umbrella of the Kyoto protocol and to resolve outstanding issues. We believe that the world community can and should ratify the protocol at an early stage, and we want to be in there ensuring that this does happen. Anything other than that is not, we believe, in the Australian national interest. What we have seen in recent days is anything but a clear direction from this government. On the one hand, we had the environment minister last week saying, ‘I am keen, and the Australian government is keen, to get the Kyoto protocol implemented.’ Then he went on to say:
... 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.

That is the environment minister four days ago. He was gazumped over the weekend. Minister Truss made it very clear that he thought that the US position had ‘done the world a favour’. Minister Downer, just a few days ago, also supported the Bush administration’s position. He said it was absolutely right. And Senator Minchin, fresh from his factional wars in South Australia with Minister Hill, is basically full of glee at the fact that Senator Hill has been done over on this most important issue. Senator Minchin has been a driving force in trying to pull Australia back from its international commitments here.

Senator Hill is not here because those colleagues have sat on him, and we saw the evidence of that in question time today. Whereas Senator Hill last week made a commitment to try to get effective implementation of the Kyoto protocol, to work with the partners in the umbrella group—including the US—to get an outcome, in answer to a question today in question time he fell short of those commitments. There was no commitment today to work within the umbrella group, to make discussions constructive, and to try to keep the USA in the tent. That was missing today; it was there last week. What has happened in between? Ministers Truss, Downer and Minchin and the Prime Minister have stripped this minister naked of any environmental credentials. It is a major shift. Whereas last week he was prepared to make a commitment to pressure the USA, we did not get that today. Environment policy has been relegated to a non-core concern and Senator Hill has been left naked, like a shag on a rock, and his colleagues are turning up the tide.

The Prime Minister is so limited in his vision and in his understanding, and he is so irrelevant to Australia’s future, that he did not even have to wait for the call before he stood to attention. It is in our national interest to ensure that the outcome that we got at Kyoto is the outcome that we have to meet in the future. The government has been trumpeting, for three years now, about how good a deal the deal at Kyoto was. If it is so good a deal, what sense is there in walking away from it? What sense is there in allowing the US to derail it all? We are a country that can be very gravely affected by climate change, with our huge coastal areas and the degradation of the land that we already have. It is in our national interest to ensure this protocol is pursued, but it is not in the Prime Minister’s.

If you really want to see who is running Australian environment policy at the moment, if you really want to see who is at the forefront of policy in this country, all you have to do is look at the administration in the USA. They are the ones calling the shots. And who calls the shots on this policy within the USA? Look at the list: President Bush, from the oil industry; Vice President Dick Cheney and Commerce Secretary Don Evans, aluminium manufacturers; Treasury Secretary Paul O’Neill, late of Alcoa and lead; and Interior Secretary Gale Norton from the lead industry. The high tech and new economy industries are hardly mentioned. This is the administration of the United States of America. You would not believe it. It seems more like the executive board of the US Minerals Council, but this is a group of people who are telling Australia, though this Prime Minister, what is good for us—sacrificing our national interests in the meantime. We can play an influential role, and it is a role that we can play within the umbrella group, it is a role that we can play further to The Hague agenda which is being pursued in just a few months time. Within the umbrella group, we can make it very clear that the best option for the world is for the USA to stay within the Kyoto protocol mechanisms.

The outstanding issues that President Bush talks about—developing countries, trading mechanisms, caps and so on—are already on The Hague agenda. In terms of developing countries there are a number of options being discussed and deliberated. In terms of trading
and clean development mechanisms, there was basically in-principle agreement at The Hague. It was just a matter of how far countries could go and whether, as we found out in a way that made Australia most unpopular at The Hague in the last few days, they would accept the Australian proposal to include the nuclear option as the way ahead. In terms of the developing countries, let us also recognise that China is making huge inroads into its emissions at the moment; maybe for not for the most environmentally preferable reasons, but they know full well that they have got Buckley’s chance of getting the Olympic Games in China unless they can clean up their domestic act. This is an issue that will not go away. George W. Bush might think it is not an important issue and John Howard may not understand it, but the fact is that Australia has to live with climate change and the world has to live with climate change. And there will be continued pressure around the world to ensure there is an adequate successor to Kyoto—if Kyoto goes down, and one view is that maybe the Americans are playing hardball to try to get some resolution to existing issues. I think there might be some merit in that view. What is undoubted is that we do have human-induced climate change. That is a problem that has to be resolved, and there will be a new agenda after this one.

I share the views of another Australian politician, expressed last April at the Pew Center in America. He said:

We need to challenge the mind-set which says that it is necessary to sacrifice economic competitiveness to achieve a better environmental outcome. In fact, the contrary is the case. Strong economics is not only compatible with better environmental outcomes; it can in fact better ensure environmental improvement.

Those were the words of Senator Hill a year ago. I still believe in them. Unfortunately for this country, Senator Hill has been gazumped by his colleagues, the feral rump of cabinet, and he can no longer espouse those attitudes.

As I said, we support this resolution. It is timely and it is important, and I say again: it is a total dereliction of duty for the minister not to be here to defend the government’s position. (Time expired)
agencies has dropped by 10.6 per cent since 1997-98, with an associated greenhouse emission reduction of 9.2 per cent. So here is the federal government leading by example on this matter. We showed our credentials at the time of the Kyoto protocol. We signed up to this agreement in good faith even though there was some disadvantage in a high energy producing nation doing so and even though a lot of the developing countries, such as India and China, were not signing—and that is where the major increase in greenhouse gases is likely to come from over the next 10 to 20 years. We have already put in place $1 billion worth of programs on greenhouse gas abatement, and we will continue to do that even if there are not any binding targets.

The major point here is that there should not be common policies and measures for every country in the world. Each country really has to respond in terms of its own national interests and its own national structure. But as long as we do have across the world countries committed to this type of direction—instead of the sorts of ways in which we used to approach these things back in the fifties and sixties—that is a major turnaround. Aiding this sort of turnaround are changes in technology which will lead to reductions in greenhouse gases. At the environmental inquiry we held at the time of the introduction of the GST, we heard from the trucking industry about changes in technology that were about to come that would reduce greenhouse gases that come from the trucking industry. We had examples of the way in which trucks in the United States would increasingly be gas powered. Seeing they dominate the manufacture of trucks, that would obviously flow to Australia. So, instead of diesel, there would be gas powered trucks, just as increasingly there are gas powered buses and taxis, which have been with us for a very long time. This change in technology will help lead to greenhouse gas abatement.

The government is already encouraging further development and further new technology. One of the best examples of that is in my home town of Newcastle, where the CSIRO is setting up its Division of Energy Technology—a new $28 million centre which is committed to developing technologies that are more environmentally friendly. It is committed to a paradigm shift in the way in which power may be generated. For example, there will be an increasing focus on generating power at the point where it is used. You do not have to set up a major power station to do this; with the new technology that it is developing, these micro processing plants will be able to generate power for the home or the factory at the place in which it is used, and that is to be encouraged. We have had earlier versions of that with things like solar power, but this is going to be far more sophisticated. There will also be the opportunity to sell power back onto the grid if companies or homes can produce surplus power. That is the direction we are going and that is what this research centre is going to be about—developing these sort of technologies for the future. We have certainly put our money into this sort of idea.

That will help head off another generation of power station constructions—the sort of huge Liddell, Bayswater and Eraring type power stations. We would hope that we do not have to go to a new generation of those in the next 10 years. There might be other alternatives.

There is another promising alternative in the Jamieson cell technology in the creation of the Redbank power station, also in the Hunter Valley. This power station takes the wastes of other power stations—the coal dust and the tailings that had come from the operations of moving coal in to power the other stations—and reburns it through the Jamieson cell technology, which was developed at the University of Newcastle, in a far more efficient way. This material used to be put into big dams and would go ‘glug, glug, glug’ and release carbon dioxide into the atmosphere. Let us hope that some of these sorts of technologies improve the situation as well.

But it is on the demand side where I think we will make the greatest progress in the future—that is, using power far more effectively and efficiently through new types of equipment and plant. Through that process,
we will reduce greenhouse gases—with or without Kyoto protocols. *(Time expired)*

Senator BROWN (Tasmania) (4.16 p.m.)—I support this motion and, in particular, I support the inherent admonition for the Bush administration and for those ministers—including the Prime Minister—in this country who are tacitly supporting President Bush’s stand against the environmental interests of this planet. What we have in the United States is a new administration, which has broken its own election commitments and which is very heavily indebted to sectional interests, including the big coal industry and other polluting industries. These industries paid very heavily into the Bush election campaign—some US$13 million, to be precise. The world’s environment is being held to ransom by that corruption of the democratic system in the United States.

There is no doubt that, if a plebiscite were held in the United States, you would get the same result as you would get here in Australia; that is, the vast majority of people—and the number grows as you go into the younger age groups—want the body politic to act on the environment. There is no greater threat to the planetary environment than global warming, which is an entirely human creation. It comes largely as a result of the industrial age, is galloping ahead and is of monstrous proportions.

We are here talking about the Kyoto protocol, which is just a little toe in the water of the cure that is required if we are going to treat our obligation seriously. Let me remind senators that the evidence from the world scientific bodies is that we need to not only turn around the increasing rate of emission of global warming gases and surpass the developed world’s target of five per cent by the year 2012—and Australia, under the Kyoto protocol, was given the ability to increase by eight per cent its emission of gases over 1990 levels by the year 2012—but also reduce greenhouse gas production in the planet over 1990 levels by 70 per cent just to stabilise the atmosphere. Let me say that again: we need to reduce the emission of greenhouse gases globally by 70 per cent on 1990 levels just to stabilise the atmosphere.

What will stabilising the atmosphere do? The sea level will continue to rise—because of, effectively, inertia and the heat going into the sea from the current high levels of carbon dioxide and other greenhouse gas—for at least four centuries if we reduce global warming gases by 70 per cent.

The question is: who in the Prime Minister’s office is listening? Who in President Bush’s office is listening? It was said of President Reagan that he could give a speech about the environment off the stump of a redwood tree. It is sounding very much like President Bush could give a speech on clean air off a smokestack. The fact is that he has no idea of the responsibility that he is ducking to serve the interests of the money barons of the corporate world in the United States. The direction President Bush has taken is immoral. It is an affront to future generations. The Prime Minister has this choice: his grandchildren or President Bush, because you cannot have both. What is more important: the interests of future generations of Australians and everybody else around the planet or this self-invested ‘big end of town’ administration in Washington? The people of Australia are going to have a very different idea to the Prime Minister of this country if he does not make the right choice. Ratifying Kyoto is a first step.

But, as we know, with all international treaties there is always a way out for the dissemblers. It may not be honourable, but there is a way out. On this occasion, for President Bush and those who support him, it is saying, ‘What about the developing countries?’ Senator Tchen was just talking about them and he said, ‘They will overtake the developing countries by the year 2010 as far as greenhouse gas production is concerned.’ That is if you take into account the Kyoto protocol—which apparently you cannot, if President Bush has his way—and that is if you ignore the fact that about one billion people live in the developed countries which the Kyoto protocol would apply to, and that leaves five billion people in the developing countries.

You do not have to be a mathematical wizard to work out that it is the developed countries—who are producing the problem
and who have produced it—who need and are honour bound to act first to turn it around, not least Australia, which because of the coal, aluminium and woodchip industries is the biggest per capita greenhouse polluter in the world. We are not as big overall as the United States, but that is because we have less than one-tenth of the population. In fact, we pollute the atmosphere going on for twice as badly per person as the average citizen of the United States, so the need is twice as great for us to haul into line the people causing this pollution.

But what happens in Australia? If you have a look at the books you find that those very people—the mineral extraction industry, particularly the coal industry; the aluminium industry, which depends on ‘congealed electricity’ for the production of aluminium; and the forest-destroying woodchip industry—are prodigious donators to both the big political parties. This raises the question: why has the opposition not called for the ratification of the Kyoto protocol? Why is Mr Beazley not out there responding to the majority feeling in this country, taking the ethical stand that Mr Howard will not take, and saying, ‘When I become Prime Minister of this country, I will take a lead instead of going to the back of the pack. The Labor Party will honour the Kyoto protocol by ratifying it’? I have a motion before the Senate for tomorrow which calls for the Senate to endorse just that sentiment. (Time expired)

Senator CAL VERT (Tasmania) (4.24 p.m.)—I think this is the first time I have had the pleasure of following my colleague from Tasmania Senator Brown in this place in a debate on something as emotive as this particular issue. I would expect Senator Brown to be emotive about this issue and about the environment. I hear him attacking the Labor Party. Looking at a press clipping that Senator Tierney quoted from, I notice that back in July he was also attacking the Labor Party. He vowed to do everything he could to make sure his party did not recommend that preferences go to the Labor Party unless it changed its position on the Tasmanian forests. What happened in Ryan? I thought the Greens gave their preferences to the Labor Party in Ryan. Obviously, Senator Brown does not have much control over the Greens. He just makes a lot of noise, huffs and puffs, and threatens everybody, but nothing ever happens.

I would like to make the point, as made by Senator Hill at question time today and as stated by the Prime Minister last week, that the government remain committed to reducing greenhouse gas emissions in line with our commitments under the Kyoto principle. I would like to remind the Senate that Australia is, as we speak, spending more per capita on greenhouse gas reduction than any other nation in the world. We heard from Senator Brown—

Senator Brown interjecting—

Senator CAL VERT—I just put this on the record: you can make figures do whatever you like, but currently Australia is spending more per capita on greenhouse gas reduction than any other nation. Domestically, the government will continue to work hard on emissions reduction and work responsibly—not in a way that is going to adversely impact on Australian industry. Australia has no intention of sacrificing industry competitiveness in an unequal implementation process, because we know that these issues are critical for Australia. As the government have previously stated, we are not prepared to sacrifice jobs or the competitiveness of Australian industry for measures that make no environmental or economic sense.

Last year the government announced that it will only implement a mandatory emissions trading scheme if the Kyoto principle, as ratified by Australia, has entered into force and there is an established trading regime. I understand, from that same press release I mentioned earlier, that the Labor Party at one stage were committed to the trading system but now are strongly endorsing the ‘the notion’ of one. It is like their policy on online gambling: they are committed to ‘principles’ in that particular area. In this area they are endorsing ‘notions’—which is pretty wishy-washy.

The US represents 25 per cent of global emissions so, should it withdraw, as it is threatening to do from Kyoto, the protocol will only cover some 35 per cent of global
emissions. For Australia to participate in such an arrangement, when we represent only 1.4 per cent of the world’s greenhouse emissions, would be economically damaging, particularly as most of our major trade competitors are located in the Asia-Pacific region and face no greenhouse related costs under Kyoto. There is nothing new in this position; the government has consistently made it clear all along that it would not consider ratifying the Kyoto protocol until certain key issues, including the engagement of developing countries, had been resolved. I would point out that that is exactly the same position as was taken on 5 April 1995 when the then minister for the environment, Senator John Faulkner, said in a prepared statement to the Conference of the Parties in Berlin at the time the Kyoto process was initiated:

While developed country parties should take the lead, developing countries should also contribute. It is clear that we will not achieve the Convention’s objective—that is, the UN Framework Convention on Climate Change—without such a partnership.

It is all very well for Senator Bolkus to come in here and criticise Senator Hill for not being here. He happens to be down in Hobart today on some greenhouse projects, and I hope to join him in the morning when we announce the Greenlinks funding for the mountains that we love so much: some $318,000, for the Hobart, Glenorchy and Kingborough councils as part of the Bushcare network in the Wellington Range catchment. However, that is another story for another day. We are the party that has contributed $1½ billion to the Natural Heritage Fund. We have never heard a word from Senator Brown thanking the government for that initiative. It would not cross his mind to give any credit to a Liberal Party government. He would much rather give his preferences to the Labor Party even though he rails against them from time to time.

But the point of the matter is that a number of achievements have been made in Australia thanks to the government’s policy strategies. There is one in particular that I was reading about this afternoon. Mr Acting Deputy President Watson, as a farmer with interest in this area, you would be pleased to know that Australia is looking at the effectiveness of a prototype vaccine to developed by CSIRO to enhance weight gain and wool growth and reduce methane emissions in sheep. That vaccine is being evaluated in several large experiments which are currently under way. One would wonder what difference that would make to greenhouse emissions. But I suggest that given the number of sheep in Australia—and in the world—a vaccine that would reduce methane emissions in sheep would certainly go a long way to reducing greenhouse gases here in Australia.

It is timely to remind the Senate that the government has taken positive actions. For example, this government established the Australian Greenhouse Office. There is a whole of government position on greenhouse issues in the broader domestic and international community. There have already been a number of key achievements: the commitment of significant grant moneys to a range of renewable energy projects; legislation to implement mandatory targets for the uptake of renewable energy in power supplies; and fuel efficiency labelling. Announced recently was a project that will reduce greenhouse emissions by 1.1 million tonnes over five years. I refer to the announcement by Minister Truss of $8.8 million to support a reduction in ethanol at the Bulwer Island refinery near Brisbane. It is projects like this that are making a significant contribution to Australia’s efforts to meet the challenge of global climate change. Tasmania certainly is playing its part and is a clean, green producer of power through its hydro, wind and other production methods. As you know, Mr Acting Deputy President, when Tasmania tried to increase our hydro production by building more dams, Senator Brown was there trying to stop them. (Time expired)

Senator McLUCAS (Queensland) (4.31 p.m.)—I also rise to join the debate about climate change, debate brought on by the motion moved by Senator Allison here today. Over the past few days in the debate about climate change two things have emerged, from my point of view. The first thing I have ascertained is that it is very clear that confu-
sion reigns supreme in the coalition over climate change; there is lack of clarity about what the coalition government intends to do or even thinks about climate change in this nation. The second thing I have ascertained has become evident is that there has been a complete misreading by the coalition both of the international community and the Australian community about climate change and greenhouse. A reading of the clippings from the weekend’s media certainly supports the notion that there is confusion, and I dare say contradiction, in senior coalition ranks. I turn to the Saturday edition of the *Sydney Morning Herald*, which opens with the lines:

The Prime Minister and his Environment Minister seemed at odds yesterday over the United States’s dumping of the Kyoto protocol on greenhouse gas emissions.

Further in the article Mr Howard is quoted as saying:

“What President Bush is concerned about, and it’s an understandable concern, is that you can’t really have a comprehensive agreement ...”

Further in the article Senator Hill is quoted as saying:

“I’m disappointed by what I’ve heard to date. The US is obviously a critical player.”

It is a very confused message that the Australian community is receiving from the leadership of this government. Also, in today’s the Age Louise Dobson makes the point:

... Minister Senator Robert Hill, who only on Friday was saying he would try to persuade the US to continue negotiations on global warming and warning that without American participation there would be no Kyoto protocol.

Further on in the article Ms Dobson, quite rightly, I think, identifies:

For some ministers, such as Foreign Minister Alexander Downer, Trade Minister Mark Vaile, Agriculture Minister Warren Truss and Industry Minister Nick Minchin, the new US position was a chance to further distance Australia from the Kyoto process, signed up to by the former Labor government but never fully supported by the coalition.

I think that is a fairly apt and appropriate reading of the situation. Ms Dobson goes on to say:

Senator Hill is likely to fall into line and cabinet will decide that in effect Australia should go all the way with America.

We should not forget that it is Minister Truss who described the deal negotiated in Kyoto by Australia as a ‘good deal’. This is disputed by many, including by me. I do not know that it was a very clever or far-sighted deal that Australia negotiated; however, it is the one that we did negotiate. The government has been criticised for its lack of vision in progressing a positive reduction in its targets. But if it is such a good deal, then why would Minister Truss embrace the US position so warmly? Why would there be such confusion? If it is such a good deal for Australia, why would Minister Truss not be out there with Senator Hill advocating, on behalf of the Australian community, the retention of Australia’s commitment to its targets at Kyoto?

In turning again to the second theme I have identified as developing in the last few days, I remind the Senate there has been a complete misreading by the government both of the international and the Australian communities on climate change and greenhouse. Over the past five years or so there has, I believe, been a growing realisation in the Australian community about climate change and its potential impacts, both economically and environmentally, on Australia. There is growing realisation of the fact that globally we have to deal with human induced climate change. The science community, I think, originally started that change with a greater understanding of and involvement in the education of our community. The environment sector also has played a significant role in ensuring that the debate has been honest and sensible. But more and more the debate is moving into the broader Australian community. Certainly the tourism industry in North Queensland is very concerned about the impacts climate change, global warming and therefore rising sea levels will have on the industry. The tourism industry—especially the tourism industry in my home town of Cairns—is most important to our economy. Increasingly, various sectors of industry are responding to the fact of climate change and thinking differently about how they do business. There is a recognition in a broad
sense that we have to change our attitude to energy consumption, to industry development and to agricultural practices. Unfortunately, the abolition of real and effective research and development funding has done nothing to promote clever and sensible use of alternative technologies.

The misreading of the science, technology and industry sectors is only one part of the story. By countenancing a dilution of Australia’s commitment to the Kyoto protocol, the federal coalition government are misreading the Australian electorate. Climate change will become an electoral issue later this year—that is agreed by many commentators. The Liberal Party received an environmental message from Western Australia—I do not know if they heard it. The Liberals should have also received an environmental message about land clearing—a greenhouse issue—from the seat of Ryan. But they are not listening to the growing community concern about climate change—and that is concern from both an environmental and economic point of view. These people are not only those Louise Dobson identified in her article:

Already there is growing middle-class anger with the Coalition over environmental issues such as protection of native forests and measures to curb pollution. The environment issues and its rising support with Liberal Party members has the potential to split the party’s base...

And it is not only the middle-class people who live in the cities who are concerned about the environment but also Torres Strait Islanders. On my recent trip to the Torres Strait, on every little island that I went to climate change and sea level rises were the issues that were raised with me. These people live a long way away from where we have conducted the debate in this chamber.

(Time expired)

Senator ALLISON (Victoria) (4.39 p.m.)—I would like to pick up on a few of the points that were made in the debate today. Senator Tchen said that it is reasonable for the United States to wait for another system. We have spent a lot of time and effort in getting the system that we have and, as Senator Bolkus pointed out, there are a few things still to be sorted out. But there are countries that have already ratified, and Australia should ratify too, which brings me to the point that Senator Bolkus was making. He said that we should ratify at an early stage. This is disappointing to those of us who understand the importance of ratification as soon as possible—not at an early stage but as soon as possible. So I agree with Senator Brown that what we are looking for from the ALP is a stronger statement on timing. Senator Tchen said that it is in our national interest and our economy’s interest to not sign if the United States does not. I demonstrated earlier that there are grave economic risks associated with Australia not signing and with not getting worldwide agreement, so that is not an argument which holds water.

Senator Calvert said that Australia is spending more per capita than any other nation. I just remind the Senate that this is only because the Democrats forced the government to do more than simply look for voluntary agreements and small-time commitments. For the first time a government in this country is making a real commitment to greenhouse abatement, and we take some credit for that—in fact we take all the credit for it. Senator Calvert also said that Australia should not be prepared to sacrifice jobs. In fact, these are jobs at one end of the sector and, as Kenneth Davidson pointed out this morning in the Age, these are not the jobs that Australia should be looking towards. If we had research and development in this country, which this government cut out to a large degree, then we would move into a high-tech economy which would improve our job situation and improve our export profile. Australia has a Third World export profile, I was told recently, and that is the kind of economy that will be damaged by climate change—there is no question about that.

ABARE, in its very conservative approach, said that Australia would have a 0.6 per cent reduction in its GNP growth as a result of the Kyoto protocol at a time when we would be seeing a 30 to 40 per cent increase in our GNP. Senator Calvert also said that we have a whole of government ap-
proach. That was the very thing that the Senate inquiry found was not happening. We do not have a whole of government approach; we have a sporadic, haphazard approach.  

(Time expired)

Question resolved in the affirmative.

PARLIAMENTARY ZONE

Proposal for Works

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (4.42 p.m.)—In accordance with the provisions of the Parliament Act 1974, I present a proposal for works within the parliamentary zone, together with supporting documentation, relating to pedestrian crossings at the intersection of Parliament Drive and Melbourne Avenue. I seek leave to give a notice of motion in relation to the proposal.

Leave granted.

Senator TAMBLING—I give notice that, on the next day of sitting, I shall move:

That, in accordance with section 5 of the Parliament Act 1974, the Senate approves the proposal by the National Capital Authority for capital works within the Parliamentary Zone, being pedestrian crossings at the intersection of Parliament Drive and Melbourne Avenue.

COMMITTEES

Foreign Affairs, Defence and Trade Committee: Joint Report

Senator COONAN (New South Wales) (4.43 p.m.)—On behalf of Senator Ferguson, I present the report of the Joint Standing Committee on Foreign Affairs, Defence and Trade of a parliamentary visit to East Timor.

Ordered that the report be printed.

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

Leave granted.

Senator COONAN—I move:

That the Senate take note of the report.

I seek leave to have a tabling statement incorporated in Hansard.

Leave granted.

The statement read as follows—

The delegation visited East Timor on 12 and 13 February this year. The delegation comprised members of the Joint Standing Committee on Foreign Affairs, Defence and Trade, the majority of whom had participated in a previous visit of the Committee to East Timor in December 1999. The delegation visit was relevant for the Committee’s current inquiries into Australia’s relations with the United Nations and the use of foreign aid to advance human rights in developing nations. I would like to thank all members of the delegation, especially Senator Ferguson, the delegation leader on 13 February, and also wish to thank the delegation secretary Ms Gillian Gould, and the Military Adviser to the Committee, Lieutenant Colonel Mike Milford.

The visit enabled Members and Senators to see at first hand the progress that has been made in East Timor in a wide range of areas under the guidance and authority of the UN Transitional Administration in East Timor (UNTAET). The delegation was also able to gain some impressions of Australia’s participation in the venture. Australia provides the largest contingent in the UN Peace Keeping Force (PKF), including the position of Deputy Force Commander. Almost eight thousand peace keeping troops from twenty-five countries make up the PKF, under a mandate from the Security Council. Australia is performing a significant role in the formation of the East Timor Defence Force and is also engaged in many other activities in support of East Timor’s move to independence.

On the first day of the visit, the delegation travelled to Suai near the border with West Timor and to Batugade on the western border. The delegation was particularly interested in assessing the aptitude of the ADF to participate in an international peace keeping force and in our relationship with the UN from the perspective of those with practical experience in achieving the aims of UNTAET.

The delegation was briefed by the Acting Force Commander, Major General Mike Smith on the political and security situation in East Timor; force structure, composition, mission and disposition matters; and PKF operations; and by other ADF personnel about their experiences and activities as part of the PKF. The delegation was impressed by the enthusiasm and commitment of the Australian troops whom it met. Morale was high – the troops were pleased to be working in a real operational environment, for which they had rigorously trained. The delegation appreciates the detailed briefings and assistance provided by Major General Smith, Brigadier Ken Gillespie, Lieutenant Colonel John Caligeri, and others.
On the second day the delegation initially inspected water supply and sanitation projects funded by AusAID. The NGO Bia Hula works collaboratively with the local people in the design, planning and construction of the facilities. On return to Dili, the delegation met with Mr Jean-Christian Cady, Deputy Special Representative of the Secretary-General, and discussed humanitarian concerns with Mr Andrew Harper of the UNHCR and Mr Patrick Burgess, Head of the UNTAET Human Rights Unit. The delegation also had the opportunity to observe a training session for civil servants on budgetary matters, and to talk informally to representatives from a wide range of organisations. The delegation appreciates the briefings and assistance provided.

I am pleased to report to the House that members of the delegation who had visited East Timor one year ago found a noticeably different East Timor this time, particularly in Dili. There are now vastly greater numbers of people appearing on the streets. Markets are to be seen everywhere and many restaurants are appearing. However, unroofed homes and derelict buildings remain a poignant reminder of the terror and trauma experienced by the East Timorese people only very recently. These people are now committed to creating a new nation for themselves. The scale of this task is immense – however, the delegation saw that much has been done.

I commend the report to the Senate.

Senator COONAN—I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Foreign Affairs, Defence and Trade Committee: Joint
Report

Senator GIBBS (Queensland) (4.44 p.m.)—On behalf of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I present the report of the committee entitled Second Australian government loan to Papua New Guinea.

Ordered that the report be printed.

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

Leave granted.

Senator GIBBS—I move:

That the Senate take note of the report.

A second loan to Papua New Guinea was granted by the Australian government in December last year. The International Monetary Agreements Act requires the Joint Standing Committee on Foreign Affairs, Defence and Trade to examine the national interest statements issued by the Treasurer in relation to all loans made under that act. The committee must report on the matter within two months of the tabling in parliament of a national interest statement. As the Senate will recall, the first loan to PNG—equivalent to $US80 million—was the subject of a report presented by the committee in October last year. The national interest statement for the second loan—equivalent to $US30 million, in three equal tranches—was in many respects a much more informative document than the first one and incorporated many of the committee’s suggestions for improvement.

Before I continue with the matter of the second loan, I would like to draw attention to the serious situation that erupted in PNG just as the committee was considering its report on the loan matter. The latest crisis was an attack by renegade Papua New Guinea Defence Force soldiers on the armoury at Murray Barracks which resulted in the looting of a large number of automatic weapons. This attack was apparently prompted by the leaked Commonwealth Eminent Persons Group report on restructuring and ‘downsizing’ the Papua New Guinea Defence Force. It forced Sir Mekere Morauta to announce that the restructuring proposals would not be implemented and that an amnesty had been granted to the rebels. This was a very dangerous development which had serious implications for democratic processes in Papua New Guinea. The most recent news reports from Port Moresby have been somewhat reassuring. However, although the stolen weapons have now been returned, the rebel soldiers and students have demanded the recall of parliament and the removal of foreign influences, such as the ‘unnecessary’ Australian and New Zealand military advisers, and cancellation of the economic reforms required by the World Bank and the IMF.

The Treasurer’s recent announcement that the second tranche of the $US30 million loan had been released demonstrates the Australian government’s confidence in the reform program of Sir Mekere Morauta. It also il-
summarizes the importance of maintaining the momentum of the ambitious economic, political and institutional reform program commenced by the Morauta government in 1999. To do otherwise would jeopardize the gains already made and would risk letting Papua New Guinea slide into chaos by default. Despite a few setbacks, including a temporary rift with the World Bank, the reform program is largely on track and therefore should continue to be given support by the international community.

Although the report I have presented today considered the proposed reform of the Papua New Guinea Defence Force as part of its overall review of the bilateral relationship, the main focus of our inquiry was the second Australian government loan to PNG in the context of the IMF and World Bank structural adjustment program. In essence, the weight of evidence presented to the committee led to the conclusion that granting the second loan was clearly in Australia’s national interest.

However, some criticisms remain. In our report on the first loan we recommended that the International Monetary Agreements Act be amended to enable the committee to be involved before future loans are executed. Our second report has again expressed concern at the timing of the referral of the national interest statement to the committee and has reaffirmed the recommendation to amend the act to enable the committee to be involved earlier in the process. While acknowledging that prompt responses are essential in circumstances of acute regional difficulties—such as the Asian financial crisis several years ago—the committee remains of the view that a mechanism should be found which provides effective parliamentary scrutiny of the loans. We believe that such a mechanism need not delay the loan approval process unduly, nor compromise Australia’s ability to act swiftly in conjunction with the international financial institutions. When future loans under the act are being considered, the committee suggests that the relevant Commonwealth agencies provide a confidential briefing to the committee on the draft of the proposed national interest statement and the terms of the loan. This should be arranged well before the statement has been finalised and before the loan is executed.

In conclusion, I wish to express the committee’s gratitude to the organisations and individuals who contributed to the review: the High Commissioner for Papua New Guinea, Treasury, the Department of Foreign Affairs and Trade, AusAID, the Australia-Papua New Guinea Business Council and the Australian National University. I also thank my colleagues on the committee, and the secretariat, for their contributions to this short but important inquiry. I commend the report to the Senate.

Question resolved in the affirmative.

BUDGET 1999-2000
Consideration by Legislation Committee
Additional Information

Senator COONAN (New South Wales) (4.51 p.m.)—On behalf of the chair of the Employment, Workplace Relations, Small Business and Education Legislation Committee, Senator Tierney, I present additional information received by the committee relating to hearings and supplementary hearings on the additional estimates for 1999-2000.

MARITIME LEGISLATION
AMENDMENT BILL 2000
ELECTORAL AND REFERENDUM
AMENDMENT BILL (No. 1) 2001
First Reading

Bills received from the House of Representatives.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (4.52 p.m.)—I indicate to the Senate that those bills which have just been announced 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 TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (4.53 p.m.)—I table a revised explanatory memorandum relating to the Electoral and Referendum Amendment Bill (No. 1) 2001 and move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

MARITIME LEGISLATION AMENDMENT BILL 2000

The Maritime Legislation Amendment Bill 2000 will amend the Navigation Act 1912 to revise the division of responsibilities between the Commonwealth and the States and Northern Territory for the safety regulation of Australian trading ships and foreign-flagged trading ships visiting Australia. It will also amend the Seafarers Rehabilitation and Compensation Act 1992 and the Occupational Health and Safety (Maritime Industry) Act 1993 to ensure that these Acts, as far as practicable, align with the coverage under the amended Navigation Act 1912.

The Bill gives effect to decisions of Commonwealth, State and Territory governments, through the Australian Transport Council and the Workplace Relations Ministers’ Council, to implement a division of responsibility for safety regulation that more appropriately suits contemporary requirements. It also meets the Commonwealth’s commitments in this area as set out in Australia’s Oceans Policy, which was released by the Government in 1998.

The Bill broadly aligns Commonwealth jurisdiction with international convention obligations for vessel safety. The Commonwealth will assume responsibility for safety regulation of trading ships of 500 Gross Tonnage or more wherever they voyage in Australian waters. This is the size of ship to which the International Convention for Safety of Life at Sea applies. The Commonwealth will also continue to regulate vessel safety for all trading ships proceeding on overseas voyages.

The change to jurisdictional responsibility is not only sought by the States and Territories but also supported by the shipping industry.

Australia has always played a leading role in the international arena for the implementation of standards and measures that promote safety of ships and protect the marine environment. This country particularly recognises the intrinsic value of our sensitive marine environments, and the risks to safety of life and the marine environment that are posed by large ships and their cargoes.

The Navigation Act 1912 forms the basis of the Commonwealth’s responsibilities for ship safety as well as the protection of the marine environment. The Act currently applies to trading ships engaged in interstate and overseas voyages and authorises the Australian Maritime Safety Authority to apply international convention requirements and to make orders as the agency responsible for the performance of these functions under the Act.

Presently, the Commonwealth’s responsibilities for regulating vessel safety under the Navigation Act 1912 do not apply to trading ships involved in intra-State voyages, domestic fishing vessels, fishing fleet support vessels, pleasure craft or inland waterways vessels and offshore support vessels. These ships are primarily regulated under State and Northern Territory legislation unless their owners have elected to bring their vessel within the purview of the Navigation Act 1912.

This division of responsibility between the Commonwealth and the States and Northern Territory was developed over 20 years ago. Practical experience in the intervening years has revealed a number of complications and duplications which this Bill is designed to address.

The present division of jurisdiction means that the Commonwealth does not have coverage for maritime safety regulation of all large trading vessels operating in Australian waters. Vessels on intra-State voyages fall within State and Northern Territory jurisdiction irrespective of the size of the vessel. Some large trading ships, such as bulk carriers and tankers – including foreign-flagged vessels – therefore remain the responsibility of a State or the Northern Territory. The Australian Maritime Safety Authority is clearly the expert in the regulation of these types of vessels, with the States and the Northern Territory having greater expertise in managing smaller craft, pleasure boats, fishing vessels and such like.

This Bill is environmentally sound in that it will ensure that trading ships of 500 Gross Tonnage and above – arguably those that may have the most profound effect on safety of life or the marine environment in the event of an incident – will be subject to an internationally consistent safety regime administered through the Australian Maritime Safety Authority. The States and Northern Territory governments agree that it is more appropriate for the Australian Maritime Safety Authority to regulate large ships on intra-State voyages, such as bulk carriers and tankers.
On the other hand, the nature of the domestic shipping trade in Australia is changing significantly. Small trading ships, those under 500 Gross Tonnage, now more regularly operate on an interstate basis. It is important that businesses should be able to engage in this type of activity free from unnecessary regulation and certainly free of costly duplication.

Because the Commonwealth has jurisdiction over all Australian trading ships proceeding on interstate voyages, this inevitably includes some small vessels. This has resulted in undesirable duplication of Commonwealth and State/Territory safety regulation applying to these vessels. Many of these ships make only occasional interstate voyages and when they do so, they are required to comply with two and sometimes three sets of rules, and incur the associated compliance costs.

By providing for the States and Northern Territory to regulate vessels under 500 Gross Tonnage, including those on interstate voyages, the Bill removes an unnecessary layer of regulation and cost to small businesses. It enhances economic efficiency and business competitiveness by providing for an owner of a vessel to reduce costs of compliance with multiple sets of regulations. A ship owner can now also have greater certainty of which regime their vessel will be subject to, rather than having to answer to several different authorities depending on the nature of each voyage undertaken. In relation to workers’ compensation, it will ensure that employers and employees do not find themselves with inappropriate or inadequate insurance policy cover.

The revised jurisdiction arrangements will also assist in reducing instances of non-compliance, and potential prosecution, of small trading ship owners who may inadvertently breach the existing regulations when undertaking an occasional voyage interstate.

Flexibility however, is an important feature of these amendments. The current provisions of the Navigation Act 1912 allow owners of vessels to which the Act does not otherwise apply to ‘opt in’ and be covered by the Act where it better suits their business purposes. This provision is being retained, with appropriate amendments to reflect the proposed new class of trading ships that would not otherwise be subject to the Act.

Similarly, Commonwealth and State/Northern Territory governments recognise that there are likely to be some vessels of 500 Gross Tonnage or greater that would best remain within a State or Territory jurisdiction. An example would be harbour ferries operating solely within State waters. The proposed new provision 8AC of the Navigation Act 1912 will allow the owner of a trading ship of 500 Gross Tonnage or more to apply for a declaration that the Act does not apply to the ship.

The Australian Maritime Safety Authority may make such a declaration, subject to compliance with established and agreed guidelines, allowing the vessel to revert to a State or Northern Territory safety regulatory regime. Guidelines to be prescribed for this purpose will be developed in consultation with State and Northern Territory governments and the Seacare Authority.

The main objective of Schedule 1 of this Bill is that no vessel will fall within an inappropriate maritime safety regime and no vessel will avoid appropriate safety management. Complementary legislation on the part of the States and the Northern Territory will support this objective. In the event a State or the Northern Territory has not enacted complementary legislation, transitional arrangements have been included in the Bill that preserve existing arrangements until appropriate legislation has been made by each jurisdiction.

The amendments to the Navigation Act 1912 are solely concerned with jurisdiction over trading ships. It is not proposed to change the current jurisdictional arrangements for Australian fishing vessels, fishing fleet support vessels, pleasure craft or inland waterways vessels and offshore support vessels. These vessels are most appropriately left with the States and the Northern Territory to administer.

This Bill also does not seek to change the present arrangements connected with Part VI of the Navigation Act 1912, which regulates participation in the coasting trade. The functioning of Part VI has been quarantined from the changes described in this Bill.

Consequential Amendments

Both the Seafarers Rehabilitation and Compensation Act 1992 and the Occupational Health and Safety (Maritime Industry) Act 1993 currently apply to ships to which Part II of Navigation Act 1912 applies. In addition, both Acts apply to ships that are the subject of a declaration under sections 8A and 8AA of the Navigation Act 1912 – the ‘opt in’ provisions. This Bill will ensure the continuation and consistency of coverage for seafarers in this area.

The amendments to the Seafarers Rehabilitation and Compensation Act 1992 and the Occupational Health and Safety (Maritime Industry) Act 1993 are designed to align coverage under these Acts, as far as is practicable, with the jurisdictional coverage for vessel safety regulation under the amended Navigation Act 1912.

The decision to align coverage of legislation regulating workers’ compensation and occupa-
tional health and safety for seafarers, with the revised coverage proposed by the Australian Transport Council for the Navigation Act 1912, was endorsed by the Workplace Relations Ministers’ Council in November 1999.

The Minister for Employment, Workplace Relations and Small Business, has indicated that he favours alignment by way of inclusion of a comprehensive application provision in both these Acts, rather than the current practice of these Acts relying upon a reference to the coverage or application provisions in the Navigation Act 1912. As a consequence, the Bill has been developed on this basis, necessitating a considerable number of definitional changes to these Acts. These changes will make it easier for all stakeholders, but particularly employers, to use the legislation.

Given that the purpose and existing coverage of the Seafarers Rehabilitation and Compensation Act 1992 and Occupational Health and Safety (Maritime Industry) Act 1993, when compared to the Navigation Act 1912, are different, it has not been possible to achieve complete alignment between all three Acts.

The Navigation Act 1912 governs all aspects of vessel safety, which in many respects are determined by international maritime safety conventions and apply to both foreign and Australian ships. The Seafarers Rehabilitation and Compensation Act 1992 and Occupational Health and Safety (Maritime Industry) Act 1993 focus on the occupational safety of the employees on board ships, and are domestically determined and applied.

Accordingly, the Bill does not seek to apply the Seafarers Rehabilitation and Compensation Act 1992 and Occupational Health and Safety (Maritime Industry) Act 1993 to all foreign trading vessels entering or operating in Australian waters as the provisions of the Navigation Act 1912 do. It would not be sensible to apply Australian occupational health and safety and workers’ compensation laws to a foreign vessel engaged in ordinary international trade.

As a consequence, the draft Bill limits coverage of foreign vessels by the Seafarers Rehabilitation and Compensation Act 1992 and Occupational Health and Safety (Maritime Industry) Act 1993 to ships that may be licensed to engage in the coasting trade or where the majority of the crew are residents of Australia and the ship operator is a resident of Australia or has its principal place of business in Australia or is a company incorporated in Australia.

This maintains the status quo for coverage in relation to foreign ships under current Commonwealth occupational health and safety and workers’ compensation laws. It nevertheless represents a small deviation from complete alignment across all three Acts.

To conform with the decision of the Workplace Relations Ministers’ Council to align the three Acts, it is necessary to ensure that the Seafarers Rehabilitation and Compensation Act 1992 and Occupational Health and Safety (Maritime Industry) Act 1993 do not apply to Australian fishing vessels unless they are proceeding on an overseas voyage. The current practice is that these fishing vessels are, by and large, covered by State and Territory occupational health and safety and workers’ compensation laws. The Bill will ensure that it is clear that this practical division of responsibility will continue.

The retention of an opt-in provision in the Navigation Act 1912 and retention of the current exemption provision in the Seafarers Rehabilitation and Compensation Act 1992 will ensure, subject to agreed guidelines, that operators have an opportunity to identify the appropriate jurisdictional coverage to suit their operations. This flexibility is fair and appropriate in designing a modern maritime safety regime.

The Minister for Employment, Workplace Relations and Small Business will be asking the Seacare Authority to undertake education and awareness raising activities to ensure stakeholders are aware of the new arrangements and to assist operators through the transition stage. The main objective is to ensure that no employee is without appropriate occupational health and safety or workers’ compensation cover.

Summary

This Bill will bring about a significant improvement to the vessel safety and regulatory regime presently operating in Australia. It will maintain the already high standards of safety and environmental vigilance we are proud of.

For the first time we will have easier identification of applicable regulation; responsibility for vessel safety will rest with either the Commonwealth or the States and Northern Territory according to the nature of the vessel and its size rather than its voyage pattern alone.

There will be greater transparency for vessel operators and owners through easier identification of applicable Commonwealth, State or Northern Territory maritime safety jurisdiction, clearly defined by vessel size resulting in less red tape and compliance costs. Greater flexibility to move between Commonwealth and State or Northern Territory maritime safety administrations for
businesses on the basis of suitability is a big plus. Closer oversight of large vessels, in line with international standards, will provide benefits to the community through better protection of the marine environment.

The retention of an opt-in provision in the Navigation Act 1912 and retention of the current exemption provisions in the Seafarers Rehabilitation and Compensation Act 1992 will ensure, subject to agreed guidelines involving consultations with the Minister of Employment, Workplace Relations and Small Business, that operators have an opportunity to identify the appropriate jurisdictional coverage to suit their operations. This flexibility is fair and appropriate in designing a modern maritime safety regime.

———

ELECTORAL AND REFERENDUM AMENDMENT BILL (No. 1) 2001

This Bill contains technical amendments to the Commonwealth Electoral Act 1918 (the Electoral Act) and the Referendum (Machinery Provisions) Act 1984 arising from the Government-supported recommendations of the Joint Standing Committee on Electoral Matters’ (JSCEM) report entitled “The 1998 Federal Election”.

The Government Response to the JSCEM report was tabled on 1 March 2001.

The most notable amendments include those which will:

- allow persons who are enrolling or voting from overseas to provide a certified copy of particular sections of their current passport as verification of their identity in the case where they cannot find an authorised witness;
- provide that Divisional Returning Officers (DROs) and Australian Electoral Officers (AEOs) may reject applications for enrolment from persons who have changed their names to something ‘inappropriate’; (eg. fictitious, frivolous, offensive or obscene), including those which are designed to bring the electoral system into disrepute or which may undermine the respect for and community standing of government departments and agencies (such as the Family Court) or well known private organisations and businesses (such as registered political parties). However, there will be appeal rights against a decision to reject such a name;
- allow for the amendment or withdrawal of a Group Voting Ticket (GVT) or Individual Voting Ticket (IVT) statement up until the closing time for lodgement of such statements;
- provide that Senate nomination deposits are to be returned to the person who paid the deposit;
- allow, prior to the close of nominations, for the substitution of a candidate in a bulk nomination, where a candidate who was part of that bulk nomination withdraws their consent, or dies prior to the close of nominations;
- provide that where a person has cast multiple declaration votes, and these are detected at the preliminary scrutiny, that only one of the votes will be admitted to the further scrutiny;
- provide that all ballot-papers are to be initialed in a circle placed on the front top of the ballot paper;
- allow for the display of GVT and IVT information in pamphlet form as well as in poster form;
- provide that the registered abbreviation of a political party name may be only an acronym or a shortened version of the party name; and
- provide the Australian Electoral Commission (AEC) with a power to review the continuing eligibility of registered political parties.

It should be noted that these amendments are technical in nature and the recommendations upon which they are based were supported by all members of the JSCEM. Accordingly, I would hope that the bill will be given a timely passage. This will allow the AEC sufficient time to implement the amendments prior to the next federal election.

The ‘reform’ measures arising from the Government-supported recommendations of the JSCEM report will be included in another bill to be introduced at a later stage.

I commend the Bill to the Senate.

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.

BILLs RETURNED FROM THE HOUSE OF REPRESENTATIVES

Message received from the House of Representatives returning the following bill without amendment:
Law and Justice Legislation Amendment (Application of Criminal Code) Bill 2000

COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT (Senator Watson)—Messages have been received from the House of Representatives notifying the Senate of the appointment of Mr Georgiou to the Joint Standing Committee on Migration, and the appointment of Mr Jull to the Joint Standing Committee on Electoral Matters in place of Mr Somlyay.

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 SHERRY (Tasmania) (4.55 p.m.)—Prior to question time I was referring to the government’s attitude, particularly towards the 51 per cent proposed sale of Telstra. I was going to point out that the dividends from Telstra exceed the debt servicing costs—in other words, borrowings—by a factor of almost 2:1, so there is no financial advantage to government in the sale of the 51 per cent it owns in Telstra. I should also point out that the total Australian Commonwealth government debt currently stands at $43.6 billion, which is 6.4 per cent of gross domestic product. That is extremely low, almost the lowest of advanced economies. It is easily sustainable and, in our case with the previous reference to Telstra, highly profitable.

Of course, debt has to be paid for from either borrowings or savings, and it is here that the national accounts reveal a further worrying picture. Australian households spend 96.6 per cent of their income on consumption. The balance, household saving, was just 3.4 per cent. Household saving forms a part of national saving. In the early budgets presented by the Liberal-National parties much was made of national saving, including both public and private saving, with details of figures, charts, graphs and projections and, invariably, extensive comment. Indeed, one budget—that of 1997-98—had as its centrepiece a savings rebate. The savings rebate was referred to as ‘rewarding individuals who currently save and providing an incentive to potential savers’. The savings rebate was capped at a maximum $450 per year and was to apply to superannuation and net income from a wide range of other savings. It was to replace Labor’s superannuation co-contribution of $4 billion a year which was factored into both Labor and Liberal forward estimates. Of course, as a savings measure, the savings rebate short-changed savings by approximately $2 billion—that was to be the estimated limit of moneys flowing as a result of savings.

It also suffered from the drawback that it primarily rewarded existing saving rather than encouraging new saving. In this regard its credibility was destroyed when the head of Treasury, Mr Ted Evans, asked about the issue of encouraging new savings, referred to it as a ‘risk’; and that was followed by the Prime Minister, Mr Howard, refusing to accept it. It was not long before the savings rebate was scrapped and the $2 billion in expenditure reallocated to tax cuts as part of the GST package. The savings rebate and its final death reflect a series of measures introduced by the Treasurer, Mr Costello, that have directly contributed to a decline in both private and national saving.

A couple of other major changes are the so-called superannuation surcharge—which, according to my latest figures, collects $577 million from superannuation savings—and the deeming of superannuation at the age of 55, which saves government some $90 million per annum at the expense of long-term superannuation savings. If we add these two together, as well as the superannuation co-contribution, which was scrapped by the Liberal-National Party government, the total level of long-term moneys withdrawn from private saving runs at approximately $4.6 billion a year. Let me repeat that: the total level of moneys withdrawn by the Liberal-National Party from long-term savings is approximately $4.6 billion a year. Of most concern is that these measures have been
subtracted from long-term saving for both retirement incomes needed to fund an ageing population and the current private savings pool invested by trustees predominantly in the Australian economy.

I referred earlier to the prominence given to the importance of national and private saving in the early Liberal-National Party budgets. I went to the budget papers of the year 2000-01 and looked for savings in those papers. They barely rated a mention, except in the vaguest and glibbest terms, with a reference on page 3-3 to the GST package when it said ‘providing greater incentives to work and save’. That is it; that is the only reference to savings in the budget papers of 2000-01. I questioned the then head of Treasury, Mr Ted Evans, in last year’s estimates about tables and projections on saving, particularly those that had been published previously. He assured me that they did exist. However, my request for their publication was refused.

Given Australia’s low level of private savings, investment—if it is to be maintained—has to be imported from overseas. This has been true for almost every year of Australia’s existence since European settlement. Investment from overseas can take a variety of forms, but it is equity—direct investment in an enterprise where the investor has significant influence, either potential or actual, over key policies—that is particularly important. Ownership of 10 per cent or more of the voting shares is regarded as indicative of significant influence. According to the ABS balance of payments and international investment data of December 2000, the total equity on issue by Australian enterprises stood at $1,150.3 billion. Of this, non-residents held equity of $332.6 billion—about 29 per cent of the total—while Australian residents held equity of $817.7 billion, or 71 per cent of the total. Of the non-residents’ equity, USA residents own 37 per cent, UK residents own 34 per cent and Japanese residents own 37 per cent. The proportions owned by residents in the US and the UK have both slightly risen in the last three years; the proportion owned by Japanese residents has dropped slightly.

The top 500 foreign companies in Australia cover most sectors of our economy, particularly financial services, manufacturing, retailing, petroleum and telecommunications. In the absence of Australia having sufficient savings to fund investment itself, it must import a large proportion of its capital needs. Foreign investment may—I stress ‘may’—also be useful in transferring new technologies and know-how. Without foreign investment, Australia as an advanced economy as we know it—and it is—would simply not exist today. However, foreign investment is not all a good story. It increases the Australian economy to international pressures and influences. For example, it makes us more sensitive and susceptible to interest rate rises and falls and speculative capital movements. It also decreases national sovereignty.

I noted yesterday in this context that Ms Hanson, the leader of One Nation, made some strident comments calling for the total prohibition of foreign investment in Australia—a seemingly easy and simple response probably to the recent spate of high profile overseas takeovers. In the national interest, selective prohibition of investment in some sectors of the economy can and does occur. For example, some of the industry sectors that it is often said should have barriers to entry are defence, energy and communications. I certainly believe that there is a justifiable argument for restricting foreign investment in those particular sectors of the economy.

However, a total prohibition on foreign investment, when Australia’s national savings are so low that we have no other course but to import significant amounts of capital from overseas, would cause economic catastrophe. What would occur is that the very low levels of national savings in Australia would be bid for by those companies seeking investment. As there is insufficient Australian capital available, the price for that capital would be bid up. That would lead to a very significant increase in interest rates. That is the price that would have to be paid for the shortage of capital that would result as a consequence of a prohibition on foreign investment.

Also, in the context of this debate, the current record low value of the Australian dol-
lar—just over 48c—certainly does not help. The record low Australian dollar allows foreign takeovers at bargain basement prices. In part at least, this is leading to the current level of interest from overseas in a number of Australian companies. The low dollar does drive an increase in overseas takeovers. Given the circumstances outlined in my speech, One Nation and particularly the Liberal-National Party should be adopting more positive policies to encourage national saving, particularly private saving, in Australia. What is not required are simplistic bans which deal with symptoms, as suggested by One Nation, and what is not required are anti-private savings measures, particularly anti-superannuation policies, as implemented by the current Liberal-National Party government. What is required is a positive approach to national saving, particularly private saving and more particularly long-term retirement saving, given our ageing population and the inevitable economic and social dislocation that this will cause.

Senator MURPHY (Tasmania) (5.08 p.m.)—The purpose of the Appropriation (Parliamentary Departments) Bill (No. 2) 1998-99, the Appropriation Bill (No. 3) 2000-2001 and the Appropriation Bill (No. 4) 2000-2001—which comprise the additional estimates for the 2000-01 annual appropriations—is to authorise the Minister for Finance and Administration to issue extra money from the CRF for additional expenditure. The minister states that there have been savings made in the order of $830 million, which are detailed in the document ‘Statement of savings expected in annual appropriations’. The Appropriation Bill (No. 3) 2000-2001 seeks an extra $1.88 billion on top of $38.5 billion for the ordinary annual services of the government. The Appropriation Bill (No. 4) 2000-2001 seeks an extra $378.3 million on top of $5.129 billion for capital works and services payments to the states and other purposes not authorised by special legislation. After allowing for savings, the bills represent a net increase of $1,427 million in appropriations.

According to the second reading speech of Minister Fahey, the principal factors contributing to these increases are: $183 million for the ATO to cover the increased cost of administering the GST, which arises largely from the higher than expected number of GST registrants; $20 million of additional funding for the ATO to implement the NBTS arrangements; $66 million for the sugar industry assistance package; $18 million for the photovoltaic assistance package; $41 million for the commitment by AusAID to the Asian Development Bank; a transfer of $659 million from capital to departmental outputs; an increase in funding of $350 million for DOD to meet non-cash expenses; $320 million for rephasing into 2000-01 of annual administered expenses appropriations, of which the bulk is for the Department of Health and Aged Care; and $137 million for a range of annual administered programs.

The allocation of $183 million to the ATO is very interesting in terms of the government’s approach to the GST—how the GST was going to be so good for the economy, et cetera. We have seen the BAS backflip and the perpetual backflip. We have seen more backflips than you would see at the gymnastics at the Olympic Games. When the GST was introduced, the government asserted that the GST was going to be good for small business, et cetera. I had the opportunity to meet a government funded officer who was to help the small businesses in the part of Tasmania where my office is based, in Launceston, with the implementation of the GST. He came to my office and we discussed his program, how it was going and the response he was getting from the business community.

The government funded officer said that one of the difficulties was that most people did not seem to know too much about it. I looked at the $183 million allocated for the implementation of the GST, and I wondered whether the government were spending the money in the right places. I told the person that I would send a letter to all the businesses in Launceston, advising them of this government funded officer who was available to provide free assistance to small and/or medium businesses. The response was very interesting. A lot of people obviously did take up the offer, because this particular person got back to me and said that he had had a significant increase in inquiries. What was
even more interesting were the responses that I got. One person—who remains nameless, because they did not give me their name—sent me a copy of a handbook that was given to them by Senator Gibson. Their accompanying note says:

Senator Murphy,

Thanks for your offer of help re G.S.T. But why should I need any? with such a handbook as this one.

This person took the opportunity to highlight a number of things in this GST: a handbook, which was distributed with the compliments of Senator Brian Gibson. I would like to read out the parts that he highlighted. He highlighted this in the introduction:

A GST will substantially reduce the costs of running a business by abolishing the Wholesale Sales Tax (WST).

We know for a fact that, although the government did abolish parts of the wholesale sales tax, this person clearly has the view—as do I and as do most businesses around the country now—that the GST clearly did not reduce the cost of running a business.

Senator Patterson interjecting—

Senator MURPHY—Senator Patterson, I do not know whether you interjected saying that that was not true, but this small business person thinks that it is.

Senator Patterson—I said you’re a goose!

The ACTING DEPUTY PRESIDENT (Senator Hogg)—Order! You will have to withdraw that, Senator Patterson; you know that.

Senator Patterson—I withdraw.

Senator MURPHY—Page 12 of Senator Gibson’s most helpful booklet to the small business people of Tasmania says:

THE TAX FRACTION

Calculation of GST payable to the Taxation Office is very simple and will utilise your existing records.

Really! You go and ask anyone in small business whether that has been the case for them and whether that is how the GST has applied in this country and you will get a totally different answer, because that is not the case. That is why the government did a backflip on the BAS.

I do not want to reflect on my colleague Senator Gibson from the other side, but when you provide information to people it should represent the facts. On page 13, under GST payable, this person has highlighted another part:

The introduction of a GST does not mean that business records or methods of accounting have to be changed.

I do not know where Senator Gibson got this information from, but I assume it was from the Treasurer’s office and from the tax package that the government went to the last federal election with. They are the sorts of claims the government made prior to the last federal election.

Another person sent me a letter with regard to this. I will not read out the name of the person, but they are a small business person. They obviously thought I was a government senator. I will read parts of the letter:

Thank you for your letter addressed “Business Owner/Operator” which I received in today’s mail. You asked if I am having any problems with the BAS, PAYG, GST and offer assistance. I invested a very large amount of my time, energy and money in attending and reading everything that was offered to prepare for the introduction of the new tax system. I support the concept of the GST and have no problem with the GST. However, the BAS is what will bury the Liberal Party if it is not drastically changed and very soon indeed. I say this as a Liberal Party supporter.

You have tried to make me be my own accountant 4 times a year—I do not wish to be an accountant nor do I have the training to be an accountant. I have always kept records for my various businesses meticulously and have been fully computerised with MYOB for many years. My accountants assure me I save a fortune in fees from them because of my excellent record keeping and understanding of basic accountancy principles in my business. I have always been very happy to hand them the final books so they can apply the professional accountancy expertise needed to present my affairs in a proper and correct manner to the
taxation department. I resent the impost of the Liberal Government’s demands on me to attempt to do this every three months. I have been snowed under with the requirement of the quarterly BAS to the point where I have little time left to analyse and develop my businesses. If I decide to withdraw from business my current employees will be without a job and the government will be without my input to the taxation income of the nation.

So thank you for your offer of help. It is not the lack of knowledge or understanding that is the problem—it is the time demands of the BAS which are totally unacceptable to me as a small business operator. I can see no reason at all why businesses with a turnover of less than $1 million should be required to lodge a return more than annually which can be completely and professionally done by their accountants as has always been the case.

Please add my voice to other small business operators which are protesting so loudly, and with complete justification, against the BAS.

The date of that letter was 6 February 2001. That was before the government did the backflip on BAS. I do not think the problem is yet sorted out for those people.

I will touch quickly on petrol. This government gave a commitment prior to the federal election that the price of petrol would not rise as a result of the introduction of the GST. After the election, it tried to pull a very swift trick on the voters of this country. I think the government knew only too well that there was not 1½c per litre in industry savings. The government said, ‘Oh well. We’ve reduced the price of diesel for transport costs,’ which it never quantified but somehow there was 1½c in there that the industry was expected to deliver. You only have to look at how well the transport industry is going to know that that was not the case.

Rather than own up and pay back the punters to whom the government promised it would not increase the price, it kept up the facade. It kept up the trickery, saying that it had compensated more than adequately for the cost impost of the GST on petrol. You were proven to be wrong and ultimately suffered the consequence of having to backflip on that. I think that was at great political cost to you. You are yet to realise the extent of that cost. You have in part seen it in the by-election in Ryan, but it will be far more greatly reflected when the federal election comes around. Despite the fact that time heals, you will suffer in respect of some of these issues to which you gave very strong commitment to the public on more than one occasion.

There have been some other areas to which the appropriation bills, and indeed the budget moneys, ought to have been applied. One of those goes to my longstanding interest in forestry. Last Wednesday I discussed some of the issues that relate to the forest industry in this country and how it could be developed. I addressed some of the objectives of Labor’s national forest policy statement, the intent of those objectives when Labor was last in government and how the current government gave undertakings at election time in 1996 and subsequently to pursue those objectives. The question is: has the government pursued them and what is it really doing about them? In the budget papers, in respect of the agriculture, fisheries and forestry portfolio under ‘Expenditure on forests and wood products industry action agenda’, I cannot find anything. There is no money in 2000-01, 2001-02, 2002-03 or 2003-04. There is not a red cent for this action agenda. This is for an industry that the Minister for Forestry and Conservation, Mr Wilson Tuckey, has made many statements about what he believes ought to be the case. This is a minister who has allowed a plantation industry to develop in this country on an ad hoc basis, without any real strategy, growing trees that will be available for only one particular commodity market. If that is a good action agenda, then God help us as to where the future lies for any industry development in this country.

Going to the issue of how much money has been spent, I think the government did make a commitment at some point in time to allocate a significant amount of money—I think it was somewhere in the order of $20 million, but I stand to be corrected on that—but, to date, I cannot find where any money has been spent. I think Minister Tuckey
made an announcement on 5 September last year that the Commonwealth contribution to the research and development corporation would be increased to $1.6 million a year. Having said that, where does that leave this industry and where does that leave industry development per se? It does not leave it anywhere. I do not know if they were supposed to establish the Wood and Paper Industry Council. I am not even aware of whether that has ever met or whether it has made any valuable contribution to the direction this industry ought to take.

As I said, how can we allow a plantation establishment to proceed on the basis that it is aimed purely at a single commodity market? There are no proposals, as was intended under the national forest policy statement for the plantation industry, to provide for future sawlogs and veneer logs for the downstream manufacturing industry in this country. All we are growing are trees that will be suitable for woodchips and pulp and paper production—a market that is shrinking, not expanding. It is a market that I think will continue to shrink, certainly in the next five years, because the Asian economies will not be making any marked recovery. Japan, being the principal market for woodchips, is in decline.

So we have a commodity industry developing on a basis whereby it does not have a good future. That has been reflected in the share market prices of the companies that have listed on the stock exchange. The share values of five or seven of the major plantation companies have gone through the floor, and that is the basis upon which that industry must work. You can take note of any expert who has been involved in the forest industry globally. There was an international wood and paper industry conference held in Melbourne last year. In all the analyses provided by the various contributors to that conference it was clearly said that the pulp and paper industry does not have a bright and rosy future. Yet this minister seems hell-bent—indeed, he is being used by many people to get into the plantation industry in this country. They buy up land at expensive prices and they claim tax deductions for land that they should not be able to claim for because they front-end load investors’ entry costs into particular developments.

This minister is promoting these things as though they are the be-all and end-all when they are not. It is going to be a significant disaster for this country’s forest industry, yet we have heard not one word from this minister. Indeed, when you look at the overall process arising out of the national forest policy statement, which saw the development of the regional forest agreements—those intergovernmental agreements were supposed to deliver the sorts of outcomes I have been talking about for industry development, and they have not. There is not one regional forest agreement in place at the moment that has delivered any of the industry development outcomes that it was designed to. Indeed, there is no sign that any one of them is really going to go down that path.

I guess I can talk about my own state of Tasmania with the greatest expertise. In Tasmania it is clearly the case that we are not even getting sustainable management of the remaining public forests. When I contacted the Regional Forest Agreement Monitoring Unit, as part of the public consultation process, to seek some advice as to why they had not been out in the field to allow them to make some considered view as to whether or not the RFA objectives for ecologically sustainable management, for one, were being met, they said, ‘We have to get permission from a higher authority,’ being the minister. As I said, I wrote to them and the minister responded. His response was very enlightening in respect of how much he really knows.

The minister could not even address, and I think does not understand, the difference between ecologically sustainable management and a thing he referred to as ‘sustainable yield’. Mr Tuckey, they are two different things. It would do you a great service if you came to understand the difference between the two. It would do this country’s forest industry a great service if you were to come to understand the whole range of problems associated with it and to at least try to get some government money injected into this area so that we can end up with better
outcomes and a better balance of trade outcome for our forest products. The trade deficit that we have for forestry products is outrageous, yet we still have a government that is doing nothing about it. *(Time expired)*

Senator Ludwig *(Queensland)* (5.28 p.m.)—This debate on the Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001 and related bills carries over from last week and gives senators an opportunity to speak on a range of issues which affect people in the community and which the government should address. I would like to deal with a couple of matters that have been raised with me by constituents in Queensland, my home state.

Unlike the government members sitting opposite—who, as far as I can see, have rejected the rural and regional communities and have failed to act when they should have—I have taken the opportunity to travel through Queensland since being elected to the Senate and to meet with as many people as I possibly could. I have met with a wide cross-section of Queensland people, from rural and regional Queensland and from large business and small business. I speak to people about the state of the economy in Queensland and particularly about how this government is affecting rural and regional Queensland, and of course the city as well.

The Howard government has presided over what can only be described as a huge reduction in services, infrastructure, earnings and quality of life for regional and rural Queenslanders. When you talk to regional and rural Queenslanders about these issues, they are, to put it mildly, fed up with the position the government has adopted on a range of things. Those matters deal with petrol, the business activity statement and the GST on a daily basis, and you can look back and ask: did those things actually come to pass? There has to be a scorecard on some of these initiatives, rather than simply listening to the other side of the house say, from its perspective, ‘We have done it well and we have done it to the best of our ability.’ You need to apply a measure, and the yardstick is, by and large, how the economy is going, how the dollar is faring and the view of people about whether or not this government is performing to their expectations.

You quickly come to the conclusion that it is not. The people out there in the community are angry, they are upset, they are irate and they are troubled by this government’s motives and direction in not only petrol prices, GST and BAS but also a range of other matters—things like reconciliation issues, the Kyoto protocol and the green debate. They are not simply troubled by matters that affect the hip pocket; their concern has also cascaded into industrial relations and other issues—issues that you might call lower order issues that people say they are unhappy with the government’s stance on. You can see the depth of people’s feelings when they are not just concerned about the top order issues such as health, education and law and order issues. When you hear the problems that confront people in what you might call the second order issues, which are a little deeper, you start to reflect on some of those concerns. What I have tried to do this evening is to raise those issues and to show some compassion in respect of problems that people experience and to share some of those with this Senate.

The inordinately high petrol prices are hurting regional and rural Queensland. I am sure you have heard that time and time again, but it is true. That is the difficulty. This government’s response was, first of all—and it is worth dissecting it—to do nothing. It sat there and said that petrol prices would not rise. It is not good enough to simply blame high oil prices when it is well known that the double taxation, the excise and the GST on the excise, has made these prices much higher than they should ever have been. Further, the GST is a tax that hurts regional
and rural communities far more than it hurts metropolitan areas, and perhaps slightly differently. Regional and rural Queensland face challenges, and to include the challenge of the GST is one burden too many. The Howard government chose to ignore the fact that the GST is applied to the retail value of petrol. It chose to ignore a whole range of matters that affect regional and rural Queensland. The Howard government clearly was happy to take the extra revenue that was raised from the application of what can only be described as a tax on a tax and run. The GST is a tax that specifically impacts on regional and rural communities—it significantly increases the cost of living in the country. So much for government rhetoric about reducing the city-country divide.

The government has also failed the many rural constituents who are not business owners. These are people who cannot claim back the cost burden of the GST and who have to fork out considerably more money for travel to work, school, sporting events, shopping and everyday activities that require car travel. The point has been made clear to the government many times already, but it still fails, in my view, to listen, act or, in fact, care. As I have stated previously, the GST is a grossly unfair burden to motorists, and it shows just how hollow the government’s rhetoric about the growing city-country divide really is.

However, it is not just regional and rural communities that have been hard-hit by the GST. I attended the ALP’s inquiry into petrol pricing at the Beenleigh Community Centre in February. I also had the opportunity of sitting in at the inquiry in Moreton and, late last year, in Rockhampton. We heard the views of a range of people from the business community and from volunteer groups who gave their frank and candid views about petrol and the costs incurred, and their views about the Howard government also crept in. They felt unfairly dealt with in relation to not only petrol but also a range of other services that this government should or did provide and now does not.

It became clear from listening to the submissions to the inquiry that the GST on petrol as well as on the petrol excise has ensured that many low income families now have to think twice about whether they can afford to drive their children to activities such as weekend sports. They do not measure their fuel by litres; they measure it by dollars. If the dollars are not there, then the tank does not get filled. Clearly, no government that truly cares about its constituents would be placing families in this position. Again I would like to impress upon the government senators opposite the value of actually getting out there amongst the communities that they purport to represent. I say this because, if they had gone out into the community, they would have realised far earlier than they did the damage that was being done to families. They would also have realised the damage that was being done to small business by the business activity statement, and they would not have sat here in almost blind denial saying how wonderful it was for small business.

We hear again and again in this chamber this government’s rhetoric about the support of small business for the business activity statement and the GST—as if by saying it enough times it will come true. However, when you travel amongst the community you find that it is not true. No matter where you go, the issue of the GST is always raised with you. If you go to one of your children’s functions, people come up to you and talk to you about a range of issues, but they usually speak to you about the GST or the business activity statement, depending on where they are from or what their background is. Despite being told that there would be no arduous compliance procedures associated with the GST, small business owners now have a highly complex form requiring considerable time to complete. Business owners should be allowed to do what they do best, and that is run their business. They should not be forced to spend their valuable time attempting to work through Mr Costello’s compliance nightmare. I am sure that small business would be relieved by the changes to the BAS compliance procedures. This government was forced to change its view—it did not want to change its view; it wanted to continue along a particular line. It was only after a backbencher revolt that the government
capitulated and decided to adopt our policy in relation to the BAS.

Mr Howard promised to cut red tape for business by at least 50 per cent, but the government has not lived up to that promise. I suspect it is one of the promises that now fall within the non-core area. This government seems to be able split its promises between what it needs to do and what it will not do. This government endured months of criticism about inflated petrol prices and all that Mr Costello gave in return was a grimace or a sneer—which is apparently worth some money to change. This government’s policies are not well thought out or well delivered. This opposition has had to point out that its policies have not had the scrutiny of the public. You only get that public scrutiny when your backbenchers are listening and are able to input into the process. This government seems to lack that capacity. If the government did have that capacity, you would not have these one-eyed policies being put out and then shifts—or red shifts, as you might call them—over time when the backbenchers push for change.

Another major issue of concern to the community—and perhaps to this government, though it is hard to come to a conclusive view about that—is the behaviour of the banking industry and the complete apathy demonstrated by the government with respect to this issue. In my travels through Queensland over the next couple of months, I will be happy to be able to convey Labor’s plan to improve financial regulation in this country to protect banking consumers. I am proud to belong to a party which has actually delivered a concrete plan to ensure that banks are appropriately regulated. As both Mr Simon Crean and Senator Conroy have previously noted, Australians have had to endure rising fees, reduced access and declining service levels for too long while banks received greater and greater profits.

There have been a number of branch closures. In Logan City, around the time when the banks were being subjected to some jawboning by this government about the social charter—obviously aware that Labor was going to introduce a social charter to do with banks—the Commonwealth Bank announced the closure of a bank in a local shopping centre in Marsden to occur some time in April or May. So one has to ask: do the banks take this government seriously when they have been jawboned into producing a social policy? You come to the conclusion that, no, they do not take this government seriously. The banks are going about their business and paying lip-service to the government, knowing that at the end of the day they will be able to continue, without fear, to do what they do and ensure that their coffers are full. It should come as no surprise that, while consumers were being forced to pay higher fees with fewer account choices, the Howard government stood by and did absolutely nothing. This government has been silent while, since 1996, over 1,500 bank branches have closed their doors.

Then we have Senator Ian Macdonald and the rural transaction centres. I am not criticising Senator Macdonald about this—I think he has been trying to promote a very difficult policy of this government. The government promised that 500 RTCs would be established across the country, funded in part by the partial sale of Telstra. I understand Senator Macdonald now admits that that promise was silly in the extreme. We certainly do not have 500 RTCs; we have something in the order of 19 operational rural transaction centres out of the promised 70 that were to be operational by last June. This government has spent a mere $7.6 million of the $70 million allocated to this project. Meanwhile, as the government dithers, rural communities continue to be left out in the cold. The people of regional and rural Queensland have, in all probability, not seen the worst of what this government has to deliver with regard to service delivery in regional areas.

What I would like to hear from this government is a clear statement that it intends to support service delivery to rural and regional Queensland. I heard a very disturbing matter in question time today. The response that this government has decided to make to our criticism of its lack of service, lack of interest, lack of care and lack of policy initiative is to say we are actually being critical and talking down the economy. That is not an answer.
What we are doing is quite clearly pointing out to this government its failings. It should recognise them, accept them, and move on. It seems to be that this government has failed to even heed those warnings. In contrast to the quagmire of sinking policy initiatives, Labor recently released their banking policy. They did that after significant talks with business communities, rural communities and people throughout Australia. Their social charter for the banks will deliver a range of banking reforms.

I will turn briefly to the issue of industrial relations. It came to my notice as I read the *Courier-Mail* today that Minister Reith has moved across to Defence. Interestingly enough, one thought that the baggage he had from IR was a matter that was peculiar to industrial relations. It was, as I understand it, a difficult portfolio for him to deal with. What we found was—

Senator Bolkus—You cannot teach an old rottweiler new tricks, can you?

Senator LUDWIG—It appears not. It seems that it was not the industrial relations portfolio at all that troubled him; it was Mr Reith himself, at the end of day, because what he has done is no different from what he did in IR. When he got to IR he said, ‘This is what I am going to do,’ and he released an outrageous discussion paper from Mr Moore. What he has done in Defence is exactly the same. I did not think you could get form in this place, but it appears you can. In addition, you will find that the defence industry is now going to suffer the same problems as those that Mr Reith visited on IR. It seems to be poor form for this government to take this approach. I conclude my speech on the appropriation bills this evening and impress upon the Senate the need for this government to be a little more caring and active in its policy formulation and implementation.

Senator DENMAN (Tasmania) (5.48 p.m.)—Today we are discussing the Appropriation Bill (No. 2) 2000-2001, Appropriation Bill (No. 3) 2000-2001 and Appropriation Bill (No. 4) 2000-2001. This gives me an opportunity to discuss the issues that have arisen during the course of the appropriation of moneys. Today I would like to highlight a few of the issues that are causing community concern in my area, including health, education and employment. Health is a broad subject. It can range from a cold to the national wellbeing that is related to the environment, education and economic decisions and opportunities.

As some of you are no doubt aware, the sixth national rural health conference was held in Canberra recently. Before I go on, I would like to take the opportunity to acknowledge—as did the Leader of the Opposition, Mr Beazley—the Des Murray award which was given to Hayley Gilbert by this conference for her work with elderly day care at St Mary’s in Tasmania. In last week’s north-west Tasmanian local paper, the Advocate, the importance of looking after youth and the elderly, as a testament to civil society, was highlighted by the president of Aged Care community services, Mark Stem. Mark was not talking about the bookkeeping the Howard government seems to be singularly obsessed with; rather, he was talking about the real value of integrating and sustaining smaller community aged care facilities.

Mark highlighted the cost effectiveness of this by illustrating the health and social benefits to local communities. This translates into less local unemployment and, thus, fewer social problems among the young. Keeping communication lines open between the elderly of the community and the young by having the elderly situated in the same geographical location where they grew up is a vital investment in social cohesion. That, for me, is a real issue, because I grew up in a small country town in Tasmania and I have seen friends of my parents in that community become isolated from their children. They have no transport and their children and grandchildren have moved away from the area, and it has become a problem for them and for their children. It is one of the areas that I am particularly interested in. These costs can be impossible to quantify in the narrow Treasury oriented output focus. However, when social cohesion breaks down, the costs are self-evident.

As some of you also know, my home state, Tasmania, has many areas that qualify as regional or rural. My electorate office in
Braddon is in a predominantly rural area, which has one of the highest unemployment rates in the country. This is no slur on the people in my area. Rather, the reason is self-evident, as described in an article from Rural Health Friends of the Alliance, which states that under the Howard Government 33 of the poorest electorates are rural with average weekly earnings well below the national average wage. That would apply most definitely to the area where I live. It is often overlooked, in the notion of health, that income and opportunity—and by ‘opportunity’ I mean a sense of purpose—impact on health outcomes, both physical and mental. Yet still we support a government that gives increased tax concessions to the rich, still believing in a strange fantasy called the trickle-down effect. Trickle down may have had some validity a quarter of a century ago when most wealth was reinvested in the Australian economy, but with deregulation it trickles sideways to global corporations, returning little to local communities and economies. We have seen that where I live, where a number of factories closed down that had been owned by overseas companies who were not remotely interested in generating income and work for the local community.

Fear and isolation impact negatively on the elderly, yet we still support a government that has produced a growth in criminal behaviour and increased the price of travel and communication services, thus increasing the likelihood of isolation. Again I come back to the small community where I grew up. Isolation is a real factor for the elderly in that community. The Howard government’s policy of rural dislocation by default sends the young away from their local communities and calls them job snobs if they will not move from the areas where they grew up to the larger cities. There is little thought given to the outcome of increased population pressures in the larger cities as well as the social and economic costs of reducing the population of rural Australia below the critical mass needed to sustain it. Recently a Howard government senator mentioned that their government had more members living in rural and regional Australia than anyone else, as if this gave them some kind of absolution. Rather, it makes their neglect of rural and regional Australia even more criminal. As Senator West has just said, they are not listening.

Additionally, rural people needing health care are less likely to be bulk-billed than their counterparts in the city. So people in rural areas are again disadvantaged. The opposition leader, Kim Beazley, stated in his opening address to the Rural Health Conference that 89 per cent of doctors in the city bulk-bill compared with 59.9 per cent in rural areas. This is particularly invidious when you remember rural electorates are, on average, poorer.

Indeed, as revealed in the AIHW report It's different in the bush, rural doctors are having to deal with a higher incidence of depression—which is no surprise, when their local economies are depressed—and more alcohol problems, with fewer local referral options. In the north-west, where I live, there is one referral centre. I have had quite a lot of contact with them because of people who come in and complain that there is nowhere for them to go when they want to go into a detox centre because of their alcohol problem. Alcohol is a problem in my area, and these people want help to overcome their problems, but they cannot get into the one centre in the region.

The higher incidence of depression is no surprise, because of the lack of work and the problems of alcohol. Many smaller hospitals have been rationalised out of existence and, once the hospital goes, many of the doctors leave after about 18 months. I have had contact with many of the doctors in my area. A lot of them are at the age where they would like to retire, but no-one is buying their practices. They cannot get out of medicine. They would like to. They would just like to enjoy their retirement, but they feel a commitment to their patients and they are not prepared to walk away from them. As the AMA points out, part of the problem has been an inability of successive governments to deal with the matter of the scheduled fee. The Howard government may well say, ‘What did Labor do?’ but, after close to two terms in government, even they must be becoming embarrassed about that statement.
As a country we are facing some important issues that are not just about rural Australia, although they will affect this section of the community. How do the Australian people feel about having their medical records sold? Do they feel warm and comfortable about that? Imagine insurance companies and some employers using that information to obtain intimate details of people. Even though the names may be deleted, in small areas it is often possible to work out who the person is. What of medical litigation? Will we face the American dilemma, where some forms of medical practice cost the doctor over $200,000 per annum to insure and as a result obstetricians and anaesthetists, amongst others, are becoming rarer and rarer. Even here, some insurances per doctor for obstetricians and anaesthetists are approaching $40,000 per annum. I have recently heard a quote of $70,000 per annum for an obstetrician. We are having problems not just with those who specialise in a particular medical procedure but with all the others. There are problems with rural medical practitioners being willing to deliver babies but, as the insurance premium per birth is prohibitive, they have decided that they do not want to be part of the delivery process. Few answers to these questions are to be found in the Howard government’s policies.

There are a couple of other issues in relation to that. I recently had an involvement with a breast cancer conference in Hobart. The women who attended that conference had had problems; some of them had had to go back for further diagnosis. Because in the north-west there are no facilities to do that further diagnosis, they had to go to either Launceston or to Hobart—which are a 2½-hour and a 3½-hour drive—and quite often had to stay overnight. But there is no reimbursement for that. There is no public transport, so again these people are isolated. Dental health is another issue in the area where I live. There are long waiting lists, particularly for pensioners who need dentures replaced and for young people who need to have dental work done but cannot get into a public hospital. Sometimes no dentist is available in the public system.

A recent survey by UMR noted, amongst other things, that 42 per cent of full-time employees are working unpaid overtime and 43 per cent felt less secure in their jobs. This survey was cited in the Age on 6 March 2001. This is occurring at a time when 30 per cent of youth are unemployed in some sections of the Australian community. Thus it appears that far from feeling relaxed and comfortable Australians across the nation are feeling more and more depressed and neurotic as a result of the inability of the government, under the leadership of the Prime Minister, to deal with the complexities of the demands of the new millennium. In fact, as a result of the 1950s tax system implemented at the end of the 1990s, many Australians are worse off. It is hard to find anyone—apart from the privileged, and even their numbers are dwindling—who is not worse off than they were five years ago. As one of my constituents said, everyone he knows is worse off than they were five years ago.

Public schools are worse off than they were five years ago. The category 1 schools—of which there are none in my home state of Tasmania—are doing very well. This is clearly highlighted in a letter received from Denis Fitzgerald, the Federal President of the Australian Education Union. Mr Fitzgerald’s letter shows that Trinity Grammar will receive an increase of 233 per cent or a subsidy of over $1,700 a day. When we compare this with the average $5 dollars per day for the 70 per cent who go to public schools the blatant favouritism becomes vividly apparent. I reiterate: there are no category 1 schools in Tasmania. And, as an aside: no House of Representatives members of the Liberal Party represent Tasmania.

Labor will fund areas of inequity rather than of privilege. This is spelt out in our policy: ‘Education Priority Zones’. This policy will not only target areas of particular need but also target, with a case by case focus, the specificity of the needs, thus recognising that, although inequity may be common, the remedy may be culturally and geographically different. Again, I think that is self-evident. For example, a report called Hearing the voices—I have a copy here—put out on behalf of the Just Tasmania Coalition,
which comprises the Anglican Church, the Poverty Coalition and Tascoss, highlights some of the problems encountered in the education priority zones. One of the problems highlighted was school uniforms. The report says:

Uniforms have also become an important tool in the “branding” strategies of schools keen to market themselves as “good schools” to the local community.

This is causing a problem. Thus, uniforms become an icon of what a school means or represents in terms of wealth and/or scholastic attainment. There are parents—and we all know this—who cannot afford school uniforms. The merits of this policy will not be entered into here. A student cannot participate if they or their families cannot afford the uniform. That is highlighted in this report. The report gives accounts of students being unable to start school without a uniform, being excluded from school programs or, in some cases, being unable to leave the school buildings. That is on page 20 of the report. Thus, the poor and disadvantaged are excluded again. Agencies such as the Save the Children Fund and the Sunshine Association which often help buy uniforms for children are reporting an ever increasing demand on their funds. This is leading them to be unable to meet the demands. This inevitably leads to a sense of shame on the part of the student and their families and drives another wedge between the haves and the have-nots. This highlights an area of policy ineptitude on behalf of the Howard government, an inability to specifically target appropriate policy responses; that is, the failing of the one-mind dictatorial theory: one size does not fit all.

Some programs announced in the last budget look interesting; the domestic violence program is one. It looks like a good idea, but what happens when the funding for the pilot program finishes? Commonsense would suggest that the pilot program would be evaluated, the best parts highlighted and these aspects implemented into other programs. But what is happening is that in some cases the pilot programs are being funded in marginal seats before the first round of pilots has finished. I have had some complaints about this. Many people running the initial programs are shaking their heads for they are unsure what will happen to them even if their program is positively evaluated. It seems the pilot programs are becoming a political tool. The people involved in these initial pilot programs are concerned, because they have done a lot of work. They expected some follow-up and at this stage they have not received any.

Senator WEST (New South Wales) (6.07 p.m.)—Rising tonight to speak on the Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001 and related bills, I want to continue on from some comments that my colleagues Senator Hogg and, more recently, Senator Ludwig have made—and that relates to defence. I was most alarmed yesterday to see the Minister for Defence declare that this country does not have a bipartisan defence policy. He did not take note of the fact that the Labor Party has agreed with the government on the white paper. He maintained that we do not have a bipartisan defence policy, and he has spent presumably defence money on a ministerial information paper. One would have thought that this would outline his position and ideas on defence direction, but it is an attack upon previous Labor governments. It is almost like reading ancient history with a bias, because it attacks the Leader of the Opposition when he was the Minister for Defence—and that was 11 years ago.

This minister really needs to get up to date with what is going on in his portfolio. He blames the Labor Party for shortages within the Army. When we lost government in 1996, we had pretty much the full number that was required to fill the positions within the Defence Force. Recruiting was working well and all the positions were filled. In fact, in the last year of our government, defence recruiting actually returned money to the budget because they had their full complement—that is, something like 58,000 members. It was this government that introduced the Defence Reform Program—which included reducing Defence Force numbers to about 40,000—not the previous Labor government. It was this conservative government that undermined that.
It was this conservative government who pulled apart the recruiting mechanisms and the recruiting arm of the Defence Force to the stage now where we have major recruiting problems. We have major shortages not just in noncommissioned officer ranks but also in officer ranks. Let me start with ADFA—from where the cream of the crop comes. Last year over $9 million was spent in recruiting specifically for ADFA. They also benefited from some of the other $30-odd million dollars that was spent on recruiting, but there was $9.71 million spent specifically on ADFA recruiting. What did they manage to get at the beginning of this year? Of their target, the Navy managed to get 54 per cent, the Army managed to get 86 per cent and the Air Force managed to get 75 per cent. At the beginning of this year their student intake was 282—which means this government has spent in the last financial year $34,432 and a few cents for each ADFA graduate.

Retention rates vary quite markedly as well. For those that commenced their studies in 1997 and therefore graduated at the end of 1999, Navy’s retention rate was 64 per cent—which means this year it is going to be 60-odd per cent of 54 per cent; Army’s retention rate was 65 per cent; and Air Force’s retention rate was 83 per cent. One can see that at the junior officer level we really do face problems. When I have asked questions about this at estimates, I have been told that they would be making up for this with direct entry officers. But they are well below their targets—54 per cent of their target is what the Navy achieved. Navy did a bit better this year for students going to ADFA than last year. Last year their target was 110, and 45 commenced—so 41 per cent of their target was reached. One has to wonder what the impact of this is going to be in the future, when they are getting retention rates of less than two-thirds and are reaching only half their target. What does that mean for the future officer strength of the Defence Force in this country? It is of grave concern because they have obviously spent a significant amount of money to get to that figure.

We know they have been doing a lot of advertising. We know the inquiry rate is up. In 1998-99 the inquiry rate was about 67,000; in 1999-2000 it was 99,000; and as at 16 February this year it was 54,000—the inquiry rate is not really increasing very much this financial year. If we are having increasing inquiry rates, why are we not having increasing enlistments? Why are we having shortages in very crucial and key areas that mean the Defence Force will have major problems in actually undertaking some of its roles? What is the reason for this? Has it got something to do with the changes that were made to defence recruiting under the DER? One really has to ask the questions, and the Defence Force themselves have to answer the questions. They admitted that they took their eyes off the ball, but under the defence review they had to reduce their staff. They closed a number of recruitment offices that they had strategically placed around the country, including in rural and regional areas. So they removed their presence from those areas. In those offices there would have been a warrant officer who would build up very good contacts and networks within educational systems. Students in those towns or visiting those towns would have seen the presence of a recruiting office. That all went.

We know that under the DER the level of leadership within the Recruiting Organisation was downgraded. I understand also that there were three deputies who were heads of Army, Navy and Air Force in Recruiting, but they ceased to be responsible for their single service targets and were given additional responsibilities, such as administration in one case and another one got marketing—that type of thing. We also saw at the time of the introduction of the DER that Recruiting was to undertake a commercialisation trial. Why? Because they were too busy having to do these things that this government had imposed upon them rather than concentrating on their main game of defence recruiting.

I understand call centres have now been introduced in some areas for recruiting. What used to happen was that if somebody rang the recruiting office they spoke to a person who was actually in uniform for that service, and they could get first-hand from that person what to expect, what it was like and what
they would be responsible for. Now, it is a call centre: somebody answers and somebody will get back to them. This is not good enough. In these times of higher employment—we should not call six or seven per cent unemployment high employment—we should not be running the risk of appearing as if we are not interested in capturing these people and enticing and encouraging them to make their profession within the Defence Force. This is a real concern. It is something that this government has brought on itself. And it is, of course, also outsourcing a fair bit of the recruiting role. Again, you will get people who do not understand what being in the Defence Force is like, and they will not be able to fully explain and encourage and enthuse young people who are making choices of lifestyle.

When we talk about the shortage of skills, one of the areas in which there are skills is the medical and health area. I asked a question that related to medical evacuations in East Timor and Bougainville because we had heard that there were shortages of qualified staff. We found out that medical evacuation had not been required for any patient specifically due to a lack of fully qualified medical staff. So it might have been due to other reasons. But the response said that in East Timor there had been five occasions, ranging from one week to one month, when the Australian Defence Force was not able to deploy a complete medical specialist roster. On those occasions, the specialist cover had to be made available through the United Nations hospital from the Egyptian contingent. The response said that in Bougainville there had been periods of between one and four weeks when the Defence Force:

... has been unable to deploy either a specialist surgeon or anaesthetist. On those occasions, as partial compensation, an enhanced resuscitation capability has been deployed, thus extending the window of opportunity to fly any casualty to a surgical facility.

That is what the impact is on the health area. I have been talking about health and nursing shortages in this chamber and other places for some considerable time. And in the last estimates, the brigadier responsible for health had to admit that I had been warning them and that I had been correct, because the Defence Force is also suffering grave shortages of nursing personnel, to the extent where they are looking at working up some programs to attract undergraduate nurses into the Defence Force. That is probably a very good idea. But it is all because this government dropped the ball on defence recruiting.

I will turn now, before I run out of time, to a couple of other areas that I am amazed about. Yesterday we saw Mr Reith not able to answer a question about Mr John Prescott’s consultancy to the Defence Force, which commenced in June 2000. I am astounded that the minister did not know about that because that was question No. 24 taken on notice at the last estimates and it is on page 60 of Hansard for those estimates. This is a question about the role Mr Prescott has been playing that Senator Hogg and I have now pursued at several estimates hearings. That the minister who signed off on these answers did not know what he was signing off is, I think, a pretty fair indication that this minister is not on top of his game. We do know that Mr Prescott was paid $116,825 for the consultancy period, which was from June to October 2000. That is not bad money if you earn it. And what have we got out of it? We have got a report called The development of industry policy relating to defence shipbuilding and repairs, and it is ‘commercially sensitive and will not be made public’. So we can only hope that it is of value—but, again, one has to wonder.

I now turn to an issue to do with the RAAF and the Survivor program, hailed by Channel 9 as a wonderful program it is broadcasting into the US. It involved US citizens being sent out to the back of beyond—and I literally mean to the centre of Australia and the harsh climate areas—to undertake this Survivor game, for want of a better word. People who watched the first episode saw for a couple of seconds what looked like the back end of a RAAF Caribou. It was the back end of a RAAF caribou. And that cost the taxpayers of this country $289,063 because there was no cost recovery on that.

For Channel 9 to make a profit on the Survivor program and the United States to see the outback of Australia, the RAAF spent
over a quarter of a million dollars to get these people here. More alarming than that was that they did not obtain the appropriate cost waiver approval—they did not go through the appropriate mechanisms. But what concerns me more is that the correct procedure was not covered and the RAAF did not seek or obtain any indemnity, backed by appropriate insurance, from the Survivor program producers so that any problems would have been at no cost to the Commonwealth. If that aircraft had crashed or had an accident, the Commonwealth would have been responsible for the lot—RAAF personnel and non-RAAF personal. There was no suitable indemnity cover for the Commonwealth in this. That is most concerning and alarming.

But what also I find in the answers following on from that is that the RAAF must have wanted to do a fair bit of TV work this year, because, early in 2000, the Air Force approached the ABC with a view to producing one or more programs on the RAAF to coincide with their 80th anniversary. The science unit agreed to produce a five-part series on the current and future Air Force, with emphasis on technology—in keeping with the policy of the program. The total cost of the Air Force’s involvement in the documentary is estimated at $615,938. The RAAF made a decision not to recover flying hour and staff costs from the ABC. Again, there is a question as to whether the procedures that RAAF undertook to waiver cost recovery were appropriate. The cost will not be recovered from the ABC, although it could have just been a paper transfer, because it is all government money.

In two instances, the RAAF’s failure to recover flying costs or to not obtain the cost waiver has cost taxpayers over $900,000. My rough calculation says it is $909,000-odd and that is a considerable amount of money. That is what Minister Reith is administering in this department. He is also administering a huge increase in public relations and public affairs spending. We were told several years ago in estimates that they were going to undertake a review of public relations and that they were going to cut staff. They cut staff by about 30. They cut them out of the indians and added some chiefs—they went from one SES officer to four. I cannot quite follow what they have done with this latest expenditure but it is certainly a huge boost of expenditure. The budget that they proposed for public relations and public affairs was originally $7.324 million. That was as at 1 July last year. The budget as at 1 March this year is $9.952 million. That is an increase of $2.628 million.

This is a department and an organisation being run by a minister who is more concerned about kicking people, not having a bipartisan policy and generally getting out with the rottweilers and bovver boots. I think this minister and this government better get back to running a government properly, administering a department properly and making sure that Australia has a Defence Force that is full on its numbers, can be proud of its traditions and the work that it undertakes and is not struggling to actually keep working because it does not have adequate staff.

Senator FORSHAW (New South Wales) (6.27 p.m.)—I rise to make some remarks in this debate—

Senator Vanstone—Not many.

Senator FORSHAW—Yes, some highly intelligent remarks, Senator Vanstone, and I am sure you will be listening intently. I intend to use this opportunity of the debate on the appropriations bills to reflect on what has occurred under the Howard government since 1996. I think we would all acknowledge that the people of Australia have already reflected upon the record of this government and they have cast their votes accordingly. You only have to point to the fact that, when Mr Howard was elected Prime Minister this country in 1996, he enjoyed a situation in which—at that time and for the next couple of years—a majority of the states and territories in this country were governed by parties of his own coalition, that is, the Liberal Party or the National Party.

But what is the situation today? The situation is that the Labor Party now enjoys substantial majorities in nearly all of the states of this country. What has happened is that the people of New South Wales, Victoria, Western Australia, Tasmania and Queensland
have seen a coalition government in operation at the national level and the record of the coalition parties in the states and have decided that their time is up. No longer, come the end of this year, will the coalition be in government federally.

I see that my time is up for the moment as we have to go to the dinner suspension, but I intend to come back to elaborate on these issues in much more detail after dinner.

Senator McGauran—Please elaborate.

Senator FORSHA W—I would invite Senator Vanstone and Senator McGauran to come back at 7.30, to listen with interest and to learn.

Sitting suspended from 6.30 p.m. to 7.30 p.m.

Senator FORSHA W—Prior to the dinner adjournment, I commenced my speech on the appropriation bills. I referred to the fact that people had had an opportunity in recent times to pass judgment on the record of the Howard government since it came to office in 1996. In recent times people right across the country, at the various state elections, have made it clear in no uncertain terms that they do not like the decisions this government has made and that they intend to take every opportunity to vote against the coalition when the time comes.

The Prime Minister, Mr Howard, is a man who has some regard for history. We know that his view of history is to choose those aspects of history that support his particular philosophy and his particular view on life and to reject those that do not quite fit into his narrow view of Australian society and the world. Thus it is that the Prime Minister clings longingly to the monarchy and refuses to acknowledge that it would be appropriate for Australia to move on and recognise what even he and other supporters of the monarchist cause believe: that the Governor-General and/or an Australian should be our head of state. But, no, the Prime Minister refuses to change. For him, what was good in 1901 should remain today.

Similarly, the Prime Minister recently reflected on his views regarding the passing of the great Sir Donald Bradman: that he was the greatest Australian of the last century. I can recall the Prime Minister on an earlier occasion saying that, for him, Sir Donald Bradman was the greatest living Australian—Sir Donald was alive at the time. For all of the great achievements of Don Bradman—and this parliament recognised them—to say that he was the greatest Australian is to do a disservice to many other Australians who have contributed more to the development of Australian society and the improvement of the lives of people throughout the world. I think, for instance, of Sir Howard Florey, a man who—together with Sir Alexander Fleming—brought about the discovery and then the production of penicillin, which has saved millions upon millions of lives around the world. But, no, the Prime Minister has never waxed lyrical about the great achievements of Sir Howard Florey.

I am also reminded of an interview I saw with the Prime Minister during the recess over the Christmas and new year period where he was talking about people whom he regarded as heroes and as an inspiration. He mentioned Sir Donald Bradman, and of course he mentioned Sir Robert Menzies. He was asked the question, ‘What about people like John Curtin and Ben Chifley?’ The Prime Minister’s reply—and I believe I am reflecting it accurately, because at the time I took particular note of his comments—was that he did not really remember much about John Curtin because he was fairly young at the time. So John Curtin basically was dismissed as a great Australian because the Prime Minister did not really know much about him. He would have known even less about Sir Donald Bradman and his exploits at the time, but that thought did not occur to him. Obviously, he learnt about them later in life.

I would have thought that maybe he came to learn later in life that it was actually John Curtin who took on the onerous task of leading this country in the time of its greatest ever threat and—as has been acknowledged—probably gave his life in the service of his country as Prime Minister. He took over from this Prime Minister’s hero, Sir Robert Menzies, a person who was supposedly the great leader of the United Australia Party at the time and subsequently of the
Liberal Party. When the heat was applied in 1941, he just could not cut it; he had to resign and give the job to Curtin.

In respect of Ben Chifley, who succeeded John Curtin, the Prime Minister made the comment that Ben Chifley was never popular in the Howard household. Why was he never popular in the Howard household? Because Ben Chifley had introduced petrol rationing and John Howard’s father, as I understand it, owned a petrol station. Therefore, it was inflicting some pain upon the Howard family that petrol rationing was in place under Chifley in that period. I point out that this was in the postwar period, when Australia had to be rebuilt. Ben Chifley was in many ways responsible for the development of the Australian car industry, the Snowy Mountains scheme and other great infrastructure projects to get Australia back on the move again. But none of that rated for Mr Howard. Ben Chifley did not really rate as a great Australian prime minister because he had introduced petrol rationing, and the Howard family did not like that. He talked about how overjoyed his family was when Ben Chifley was defeated in 1949 and petrol rationing was ended by Prime Minister Menzies.

I took particular note of that at the time. The interview occurred almost simultaneously with petrol prices being a major topic of political debate in this country. I thought to myself: I wonder what the Howard family view would be today, with the current situation with petrol prices? They would probably be overjoyed that petrol is selling for so much more than it should be, because it generates increased income for the Howard family and their petrol station business. But that is not what happened for the overwhelming bulk of Australians, particularly the battlers, who the Prime Minister so often says he represents. Despite the Prime Minister constantly saying that it was all due to overseas factors and the international price of oil and that he really was not in a position to be able to do anything at all about increased petrol prices, what did he end up doing? He ended up adopting the Labor Party policy and removing the excise on petrol to avoid the double whammy of the GST spike and the excise on petrol prices. That situation is illustrative of what is wrong with the Howard government and what is wrong with the Prime Minister’s views on Australian society and the future of Australia.

**Senator Hutchins**—His hero would be McMahon, wouldn’t it?

**Senator FORSHAW**—You will get me going there, Senator Hutchins. The Prime Minister has a blinkered view of history. He wants to take this country back to the era of the 1950s and 1960s. They may have been times of economic boom, but Australia was a different place then. Today we live in a highly competitive world where the pressures upon society and upon our economy are immense. It takes a leader with vision to be able to deal with those problems. But what has this Prime Minister’s approach been from the outset? He did not say he had a vision for the future of Australia. He said that he wanted Australians to be relaxed and comfortable. He believed that there had been too much change in the previous 13 years of the Hawke and Keating governments, and he wanted a period of peace and tranquillity; he wanted it to be relaxed and comfortable. Any Australian today who looks at their situation now and looks back at where they were in 1996 could only say that they are not relaxed and comfortable—in fact, they are more worried, they are more insecure and they are more concerned about their future and their kids’ futures than at any time before.

You can go through the key areas and identify quickly what this government has done to make Australians feel not relaxed and comfortable but insecure and uncertain. Bulk-billing is disappearing fast from the health sector in this country. The backbone of the Medicare system that this Prime Minister swore to maintain is disappearing. Increasingly, that is the case in rural electorates. It is the battlers who get hit hardest; it is the aged persons and the low income persons who are most affected if doctors do not bulk-bill. What is this government doing about it? Absolutely nothing.

The public hospital system in some states is in crisis because of this government’s severe cutbacks in its first two budgets in respect of public hospital funding for the
states. It was not so long ago that it was negotiating the Medicare agreement with the states. At that time, the state premiers and the leaders of the territories in this country all rejected Minister Wooldridge’s proposals for the Medicare agreement. They called on the Prime Minister to intervene to solve the crisis. They were not all Labor premiers at that time—there was a Liberal premier in Victoria, there was a Liberal premier in Western Australia and there was a National Party premier in Queensland—but every one of them rejected the proposed funding arrangements that this government put on the table.

In education, the much heralded enrolment benchmark adjustment scheme introduced by Minister Kemp has been discredited. This government stands condemned for its decision to starve public education of funds whilst delivering more resources to elite private schools. And everybody in this country knows that there is a crisis in aged care. If ever there was a minister asleep on her watch, it is Minister Bishop. Aged care in this country is facing a crisis. It has got to the point where this government will no longer publish reports on the inspections that are undertaken in aged care accommodation because it is too embarrassed to do so.

There is a crisis looming in defence, and I note that Senator West addressed this area in her remarks preceding my contribution to this debate. And just look at the situation today with the economy: we actually have the lowest ever recorded Australian dollar figure today. We all wait with trepidation to see whether it will fall even further tomorrow. It is now down to around US48c. At the same time, we have record foreign debt. When this government was in opposition, it continually talked about the levels of foreign debt, and it had that much vaunted debt truck. Where is the debt truck today? It is parked in some siding somewhere, probably in some National Party electorate that the government is going to lose at the next election. The government is trying to hide the debt truck.

Senator Hutchins—They can’t afford the fuel!

Senator FORSHAW—That is exactly right: they cannot afford the fuel. They are frightened that it will turn up again in November, at the end of this year, and run right over the top of them. Everyone knows that small businesses in this country are screaming out that the GST is not some great panacea for their problems; rather, the GST is a huge impost upon their businesses. I have not found one businessperson in the last couple of months that has said to me they think the GST is good for their business or for this economy.

Senator Troeth—There was a letter in the Age today. Didn’t you read it?

Senator FORSHAW—They have not told me that. There is one letter in the Age. You must have finally convinced one of your constituents, Senator Troeth, to write a letter to the Age newspaper.

I want to conclude on one final issue. This government is claiming out there in rural and regional Australia that it brought in this great package to assist the dairy industry. Indeed, the minister continues to claim credit for a scheme that this government has not put one dollar into. This minister says that the government has provided the industry with a very substantial assistance package of $1.78 billion. As everyone knows, that money has been raised by an 11c per litre levy, which will apply for the next eight years on the retail price of milk. But this government is taking back about half a billion dollars of that $1.78 billion as tax revenue. None of the money that is being directed to that program has come out of existing revenue; it has come from a specific new tax applied to the price of milk, which will stay in existence for the next eight years. Out of that $1.78 billion, the government will take half a billion dollars and give the rest to dairy farmers. The dairy farmers will not forget what this government has done to them.

(Time expired)

Senator McLUCAS (Queensland) (7.47 p.m.)—As part of the appropriation debate, I would like to make some comments about Cape York Peninsula, about planning and service delivery in that area and about the response of the federal government to CYPLUS, the Cape York Peninsula Land Use Strategy, which is a community driven planning process that has been in operation since 1992. First of all, I would like to put
the discussion in context for those senators who have not had the opportunity to travel to this unique and important region of our nation. Cape York Peninsula is an extraordinary part of Australia. In area, the Peninsula is 137,200 square kilometres. It has a population of approximately 18,000 people. Sixty per cent of the population are Aborigines and Torres Strait Islanders. Most people—71 per cent—live in towns of 1,000 people or more, 25 per cent live in smaller towns and four per cent live on properties in the region. It is a diverse group of people living in an environment which itself is also diverse.

The people of the Cape York Peninsula are isolated physically from each other and from mainstream Australia, but they are united in one very clear respect: they desire recognition from the government of their contribution to the community, they desire recognition of their need for services so they can gain the economic and social benefits that many of us take for granted and they desire recognition of the special environment that they wish to continue to manage carefully for the benefit of us all. Cape York Peninsula has long been recognised as one of Australia’s special places. It is unique in that the region contains entire uncleared and unregulated river catchments. Eighty-two per cent of the Peninsula contains at least one feature of conservation significance. The dune fields and the river deltas are amongst the best developed in the world. The Peninsula includes some of Australia’s highest concentrations of rare and threatened species and the largest areas of heath land, riparian vegetation and tropical rainforests of high quality in Australia.

One-fifth of Australia’s rainforests exist in Cape York Peninsula, but it should be noted here that most of the Peninsula is not rainforest—only 5.6 per cent is. The significance of the Peninsula is the diversity of its ecosystems. Sixty per cent of Australia’s known butterfly species are found in the Peninsula. One pastoral property alone contains one-quarter of Australia’s frog species. Mining for bauxite around Weipa on the west coast and sandmining at Cape Flattery on the east coast dominate the regional economy. Agriculture and fishing contribute 5.3 per cent to the gross regional product of the Peninsula. Tourism is a growing industry, and there is a realisation by Peninsula people that there has to be more sustainable strategies adopted so the impact of tourists is minimised.

It is also important to place on the record the origins of the CYPLUS process and the reasons why it began. In the late 1980s, senators will remember that residents of Cape York Peninsula were bombarded with numerous dubious development proposals. They will remember the Cape York space base and the proposal to build a multimillion dollar tourism resort near the very small Aboriginal community of Lockhart River. These proposals were driven by the then Bjelke-Petersen government and the private sector, with encouragement from that government, and with absolutely no reference at all to the residents of the Peninsula. Quite rightly, residents expressed opposition to these harebrained proposals. Further, there was no cohesive approach to development, no planning process and no collective vision about how the Peninsula would develop into the future.

In 1990, the respective Queensland and Commonwealth Labor governments jointly funded a major study into land use and management of this region: the Cape York Peninsula Land Use Strategy, commonly known as CYPLUS. This process is recognised as best practice planning for Australia. CYPLUS was a three-stage process. Stage one of CYPLUS consisted of data collection and identification and analysis of economic potential. It began in 1992 and was completed in 1995. It took longer than people in the Peninsula wanted, but it was a large task. Stage 2 involved the development of a coordinated strategy for sustainable land use and economic and social development and was completed in 1997.

A comprehensive planning process on the future of the region was developed through the regional advisory group, CYRAG, of which I was a member. CYRAG membership comprised representatives from various stakeholder groups, including conservation groups, indigenous people and pastoral people, and the mining, fishing, local government and tourist sectors. In May 1997
CYRAG presented a milestone report, entitled *Our Land, Our Future*, to the respective governments. The report documents the recommendations of the Peninsula community and stakeholder groups for the future of the region. While the original proposal for stage 3 has not been adopted, the state government alone has instituted CYP 2010. The federal government has responded through the Natural Heritage Trust and through the Interim Response of Government, about which I wish to speak later.

Also part of the history of Cape York Peninsula is the signing of the Cape York Heads of Agreement on 5 February 1996. It is an historic and unique accord between conservationists, pastoralists and indigenous people—groups that one may think are at loggerheads over their respective futures but who in reality were able to identify their common aspirations and the way in which to achieve these. In 1997 the heads of agreement parties were honoured to be awarded the Group Reconciliation Award at the Reconciliation Convention held in Melbourne. Both political parties agreed to support the heads of agreement and committed $40 million to deliver the outcomes identified.

It is a matter of record that the election of the Borbidge government in Queensland in 1996 saw the aspirations of the three parties sidelined. The Howard government subsequently modified their prior commitment to the heads of agreement to the provision of funding under the Cape York Natural Heritage Trust plan. The NHT plan was released in 1998 and pledged differently: ‘up to’ $40 million from the Natural Heritage Trust to protect natural and cultural values on the Peninsula. The money is to be spent by the end of 2000-01, although I understand that period has been extended. It is also a matter of record that the Cape York NHT mid-term review was particularly scathing of the progress of the fund to respond to community expectations and aspirations.

Given this history, and acknowledging the enormous voluntary contributions that many people on Cape York Peninsula have given to develop this strategy, it is not surprising that the interim response of the federal government to CYPLUS Stage 2 was received some weeks ago with derision and disappointment. One of the enduring memories that I have as a member of CYPLUS is the unanimous desire of the residents of the Peninsula for governments to coordinate and integrate service delivery in the Peninsula. The state government has embraced this notion through the development of the Partnership Plan, but it is disappointing that the federal government’s response does not even mention the notion of coordination of services.

The report itself is merely a list of services that obviously has been compiled separately by departmental officers, with very limited coordination. Even the local member and the Minister for Regional Services, Territories and Local Government could not agree. It was reported in the *Cairns Post*, which said:

> Federal Regional Services, Territories and Local Government Minister Senator Ian Macdonald said the new report was evidence of the Federal Government’s “significant contribution” to Cape York Peninsula. But even the basics of the strategy were grounds for confusion, with federal member for Leichhardt Warren Entsch refuting Senator Macdonald’s statement the strategy was a joint state and federal initiative.

Well, if those two do not know what is going on, what hope is there for the people who live in the isolated regions of Cape York Peninsula? Further, while I may disagree with the assessment of the Mayor of Cook Shire on the origins and the process of CYPLUS, I note that he has also challenged the federal government. In the *Cooktown Local News* of 22 March, he said:

> I challenge the minister to:
> 1. point out to where the original concept has been adhered
> 2. analyse where the millions of dollars have gone over the past dozens of years in the formulation of this document
> 3. explain why the Federal Government, after all these years, has suddenly become involved by finally tabling their response.

I look forward to hearing the minister’s response to the Cook Shire Council.

I would like to analyse the interim report by the Commonwealth government to CYPLUS Stage 2. On page 4 of the document the report is described as an ‘interim response’. It has taken since 1997 for the
government to respond to the report of CYRAG. In fact, it was only in February 2000 that the federal government actually agreed to respond to CYPLUS Stage 2, at the instigation of the Queensland state environment minister at the time, Mr Welford. But more concerning is that it is an interim response, because, as the document says, a comprehensive, whole-of-government response will be available shortly. Why do it in the first place if we are going to wait another month or two to get the integrated, whole-of-government response?

Turning over a couple of pages, we come to the highlights identified in the document. These are the things that the people of Cape York Peninsula should take to their hearts, because they are things that will change their lives. The first highlight is a decrease in fuel costs. Communications and transport are significant recommendations in CYPLUS Stage 2, but nowhere in CYPLUS Stage 2 do they talk about fuel costs; however, a reduction in fuel costs is very significant for the people of Cape York Peninsula, because they travel a lot. But when you are paying nearly $1 a litre for fuel, the cut in excise of 1½c per litre that the government introduced is seen, frankly, as a bit of a joke. Further, most people on the Cape York Peninsula do not use petrol; they use diesel. So, I am sorry, in my view the first highlight of the document completely misses the point.

The report then goes on to tell everyone how wonderful the Roads to Recovery program is. I have made comments in this place before about my views on the Roads to Recovery program—about the lack of co-ordination in the program and about the lack of a strategic approach in the program. Those comments are on the record for all to see. Minister Macdonald said quite proudly that $5.117 million will be spent on the Roads to Recovery program in the Cape York Peninsula. But he made a pretty fundamental error, and this is the beginning of the fundamental errors in this report. I will be very pleased to provide Senator Macdonald with a copy of a map of Cape York Peninsula if he is interested. He then talks about $647,574 that will be allocated to the Douglas Shire. I have to remind Senator Macdonald that the Douglas Shire is nowhere near the CYPLUS region. It is adjoining, but it is nowhere near it. When you take just over half a million dollars out of $5 million, it puts a big dent in his figure, of which I understand he is very proud.

Even more hilarious—if it weren’t so sad—is that Senator Ian Macdonald lists the princely sum of $6,906, which has been allocated through the Roads to Recovery program to Dauan Island. Dauan Island is one kilometre from Papua New Guinea. It is nowhere near Cape York Peninsula, and it is offensive to the people of Cape York Peninsula that such an oversight was made, if in fact it was an oversight. So $5 million was not spent on Roads to Recovery; it was just under $4½ million.

We then go to the Regional Solutions program. Senator Ian Macdonald announced that some funds—I think it was about $28,000—was going to be allocated to the Bloomfield Valley News. I congratulate the people of the Bloomfield Valley for putting in their application, and I wish them well. I know that they will do a good job. The people of Wujal Wujal and Bloomfield are a well-coordinated community and they will get a great outcome from $28,000. They also talk about funding for a program called Ecofish. This is another program that is well known to me. It is operated out of Cairns essentially to assist the commercial fishing industry to market their product effectively and environmentally sustainably. It does have a marginal impact on Cape York Peninsula, but as the representative of fishing in CYRAG, we identified that there is very limited scope for growth in the fishing fleets based at any of the ports on Cape York Peninsula. I congratulate Ecofish. They have done a good job and they will use the money well, but for Senator Macdonald to say that this was such a wonderful solution for the people of Cape York Peninsula is, I think, drawing a long bow.

Then we go to the Rural Transaction Centres Program. We have heard a lot about RTCs in this place, and I am sorry to say that the story in the interim report is the same story that has been told in this place about the failure of that program to deliver anything to people in rural and regional Australia—with a geographic variation. That geo-
graphic variation is, once again, Dauan Island. The fact that $4,350 is being spent on Dauan Island for the preparation of a business plan is trumpeted. That is great. That is good for the people of Dauan Island but, once again, Senator, they do not live on Cape York Peninsula, and it is offensive that you have repeated that mistake. I note that Bamaga has also received $5,900. These are big bickies, and they are going to be thrilled about it. I congratulate Bamaga for the initiative that they have undertaken in the project.

We move to the Commonwealth government information service. There is a phone number, a book and a shopfront which go to regional shows, field days—I do not know how many of those happen on Cape York Peninsula—and community information stands located with regional community groups. I do not know anything about the last two items on Cape York Peninsula, because I do not think they actually go there. But let us go back to the phone number and the book. Once again, this is a standard response that is delivered to the whole of Australia. This is Canberra telling people who live in remote and regional places: ‘You will get what we give to everybody.’ It is simply not good enough. It shows no recognition of the fact that there are language differences among the people of Cape York Peninsula, and it also shows no understanding of the fact that many people on Cape York Peninsula have no access to a telephone.

The next highlight is the one that I think we should be very concerned about. The Cape York Natural Heritage Trust plan was initially promised in 1996 $40 million. The mid-term review castigated its processes and its outcomes. The $40 million was changed to ‘up to $40 million’ and Senator Hill devised 10 strategies through which this money would be expended on the Peninsula. This is where the confusion begins. The interim response tells us that $9.35 million has been allocated on 9 March this year. The Cape York NHT office in Cairns told us, on 19 February this year, that $10.19 million has been allocated. On 23 November last year, we were told in estimates that $13.2 million has been allocated, and then Senator Macdonald took it upon himself to write to the Cairns Post and say that $23.81 million has been allocated. That was on 29 March 2001—last week. Who do you believe? These people live in very isolated places. How are they going to say, ‘Now we know how much has been spent’? The mid-term review talked about confusion. If those four figures are not confusing, I do not know what is. This confusion has been encouraged by this minister. He has not attempted, at any point, to clarify the matter and to make sure that people understand where that funding will go and when it will go there.

I want to remind the government of its commitment of funds for Cape York Peninsula. There has clearly been slowness in spending this money, but it is not the doing of the people who live on Cape York Peninsula. When Senator Hill introduced the 10 strategies, there was a lack of ownership by the people of the Peninsula about how that money was to be expended. Early submissions were rejected due to limited understanding of the process. One of the significant members of the Cape York regional assessment panel did not have the corporate knowledge of CYPLUS and seemingly had alternative agendas. It can be said that there was no shared vision between the state government and the federal government, but there was also no leadership from the federal government to resolve those outstanding issues. I remind the government of the rightly held expectations of the people of Cape York Peninsula that those funds will be spent—all of them—on the Peninsula. And I remind the government of Senator Hill’s own words: ‘The Howard government will invest up to $40 million in protecting Cape York Peninsula’s outstanding environmental and heritage values, providing new opportunities and greater certainty for people on the Cape and the region’s pastoral industry.’ Those are his words, and we have to hold him to them.

**Senator SCHACHT** (South Australia) (8.07 p.m.)—I rise to speak on the Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001 and related bills to make some remarks about this government and ancillary matters. It has now been just over five years since the Howard government was
elected in March 1996. It has not been in any way a distinguished effort by this government. Someone said some years ago, ‘When this government goes, who will mourn it? Who will make the speeches to congratulate this government on its achievement?’ It has often been commented that, in the years following the demise of the Fraser government, most members of the Liberal Party ended up bagging Malcolm Fraser and saying that it was seven wasted years and that they had missed so many opportunities. Some people who are now ministers in the present government had that view. When this government goes—without being presumptuous or arrogant about it; there is still a long way to go to the next election in the latter part of this year—as I suspect it will at the next election, who will mourn it? Who will remember this government’s achievements? What are those achievements? The only thing this government and Mr Howard will be remembered for will be that they introduced the GST. That will be Mr Howard’s place in history. If that is the only thing you can be remembered for in five, 10 or 20 years time, you have failed miserably.

Senator Abetz—And we will still have the GST.

Senator SCHACHT—That is true. Minister, we pointed out at the last election that, if you people maintained the treasury bench, we would not be able to unscramble it, that we may be able to roll back in many areas and get rid of the madness and the stupidity and the administrative nightmare that you have created with this GST, but we will not be able to get rid of it all. We told people that when they voted at the last election. The irony is that the majority of Australians—51 per cent—in the two-party preferred vote voted against the government. But we were not fortunate to get the votes in the right number of electorates—as has occasionally happened in Australian political history. In the 1990 federal election, we hung on to government with a very small deficit on the two-party preferred vote. In 1954, I think the federal parliamentary Labor Party got around 53 per cent of the two-party preferred vote and still lost the election in the seats that counted.

The irony is that the people did not vote for the GST, but the government got the governing majority on the treasury bench and the lower house and were able to introduce it. You did not get a popular mandate for the GST; you got a parliamentary majority for it and were able to introduce it with the help of certain dills in this place—unfortunately, the Australian Democrats. I suspect the present Leader of the Australian Democrats this Friday night at 10.30 will pay the price for that deal—that famous handshake and smile with John Howard—when she is dumped by the Democrats. They know that, if they go to the election with a leader who is so overtly remembered as delivering the GST to Australia, the Democrats will be punished, as will this government.

The Prime Minister said that, if he was elected, the people would feel relaxed and comfortable. It is quite clear that people are not relaxed and comfortable at all. They are uncertain and concerned and they have fear and anxiety for the future because this government has failed in so many areas to provide them with the economic security that they believe is their right, and which all ordinary Australians believe the government should deliver. But why didn’t Mr Howard deliver a relaxed and comfortable Australia? Because he thought he would have to stunt any further social development, political evolution, discussions and promotion of ways to improve our society in order to focus on his GST.

I suspect his political position would have been much stronger if, over the last three years, he had admitted that he had changed his position and supported the referendum for a republic. Just as Sir Henry Parkes is called the Father of Federation—though he did not live to see it—John Howard would have been able to promote himself as, if not the father of the republic, the co-father of the republic, which would not have been able to have been denied by even those of us who have been long-term republicans. That would have been something that in five, 10 or 20 years he would have been marked up for rather than marked down for doing nothing. When people write the history—even if they make TV documentaries—John Howard will
be remembered as saying no, of being the negative force, in the further development of the Australian political entity and the Australian character.

It is the same with his dealings with issues such as Aboriginal reconciliation. Despite some mealy-mouthed platitudes, everybody knows he does not have his heart in it. He takes every opportunity to make short-term political gains by making remarks against the evolution of Australia, our understanding of our Aboriginal past and the indigenous people who have been here for at least 40,000 years. I suspect that if he stood up now and said sorry most people would not believe him. He is so far gone on that issue that, even if he said something positive now, he would not be believed. In any number of areas, John Howard has failed.

Senator Abetz—Mr Howard to you.

Senator SCHACHT—Mr Howard—I am happy to accept that correction. Mr Howard is still a failure, whether he is John Howard or Mr Howard. It has been five years—five wasted years. What must be most galling for the majority of Australians is that we have elected a Prime Minister who has led a government that has stood still, has not contributed to the development of the country. The Howard government’s argument was: ‘We are good economic managers.’ The dollar is at the lowest rate it has been. If you had said 12 months ago or three years ago that a John Howard led government would take the dollar down to US48.5c people would have said, ‘That’s impossible.’ If you had said that the national debt had grown by nearly $100 billion over the five years the Howard government has been in, people would have said, ‘That’s impossible in view of the promises made in the lead-up to the 1996 election.’

Certainly the inflation rate has stayed down. The government inherited a low inflation rate of around two per cent to three per cent. Inflation has gone up in the last 12 months because of the impact of the GST but, if you take that out of it, the government have maintained the inflation rate that they inherited from the previous government. There has been some decline in unemployment. Certainly they have not got unemployment down to the lowest levels that were reached during the Hawke-Keating years. Certainly it is lower than when John Howard was Treasurer in the Fraser government when he got it up to nearly 12 per cent. But, even on the economic front, the Prime Minister can no longer claim the credential of being a good economic manager. And with his convoluted twists and backflips over the last month and a half under the hammer of electoral Armageddon, most people have said, ‘Whatever he used to say previously to justify some tough decisions has all been thrown out the window now in pursuit of a third electoral victory.’ People say that this further proves that in his own way John Howard is more interested in his electoral survival than in the good government of Australia.

One of the issues that flows from the performance of this Prime Minister is that at the 1996 election, in one form or another, he said, ‘We are not going to govern for the elite. We are not part of the elite. We are going to govern for the blue-collar battlers.’ Any Prime Minister who introduced a GST cannot claim that he governs for the low income, blue-collar battlers when the compensation paid is so much less than the cost of living and when, even in the last two weeks, of the four per cent paid to pensioners two per cent was grabbed back. That sort of deceptive policy has come home to roost, just as it has on petrol—the tax on a tax, the GST being applied to the excise so that people pay more—and, similarly, on beer, about which promises were made. Promises were inferred, but never corrected at the time, that every self-funded retiree would get $1,000 and some people got a cheque for 16c instead. The inference was certainly made at the time and never corrected that $1,000 would be available to self-funded retirees and to many pensioners. So on the economic front he has lost credibility.

But when he said, ‘We will not govern for the elite; we will govern for the ordinary people,’ we now see that he has proven himself to be part of a very select elite. The lifestyle of the Prime Minister is the most elite we have seen, running two official residences—the Lodge in Canberra and Kirribilli House in New South Wales. My colleagues
in the Senate estimates committee have shown that literally hundreds of thousands of dollars have been spent to make the Kirribilli residence suitable for John and Janette to live comfortably in the life they aspire to as part of the Sydney social set. It is a disgraceful arrangement. The Lodge was built to be the permanent residence for whomever was the Prime Minister. If Sir Robert Menzies—Mr Howard’s great exemplar, hope, mentor—was willing for 16½ years as Prime Minister to live in the Lodge and did not even have his own private residence in Melbourne, it seems a bit odd that Mr Howard, who tries to ape him, wants to have two residences with all the increased costs.

In the total budget the costs of upgrading Kirribilli and the Lodge are not large sums, but it shows that this Prime Minister is out of touch. The amount of $5,000 for a new fridge and $50,000 for a new staircase at Kirribilli are sums of money that ordinary Australians could never spend on their own lifestyle or on their own houses, but the Prime Minister spends this amount of money with gay abandon. He is even, I understand, sending wine from the Lodge wine cellar up to Kirribilli. There is extra funding for those sorts of arrangements. He is out of touch. He has proven that he is part of a very small, narrow elite. What is that elite? It is part of the big end of town.

Whatever he may say about small business—where he came from with his family—in the last couple of years small business has taken it in the neck from this government. Whether it is the impact of the GST and the BAS—the business activity statement—or even the revised business activity statement or whether it is the increase in red tape, small business has suffered. What happened to the 50 per cent cut in red tape promised from 1996? What have we got instead? A tax bill going from 3,000 pages to nearly 8,000 pages. There are 5 million new words in the tax act since Mr Howard has been Prime Minister. This means that small business have to employ accountants and legal advisers to make sure that they comply with the new tax act. So much for the 50 per cent reduction in red tape.

I find it particularly interesting that there are a number of political commentators writing consistently in the media in Australia who take John Howard’s line about not being part of the elite and criticise the former Labor government as part of an elite. They also criticise others who do not accept Mr Howard’s line on a number of social, political and economic issues as being part of a self-selecting elite. We see people like Christopher Pearson, Michael Duffy, Andrew Bolt, Piers Ackerman, Frank Devine and others—but those five in particular—consistently write as though they represent the true battlers in Australia. They are part of the smallest and most advantaged elite in Australia—99.999 per cent of Australians do not have the advantage of being able to write a column in a daily newspaper expressing their personal views, attacking whomever they like, when they like and how they like. They are the smallest, most select elite in Australia. They are very well paid for their columns. They are very well paid for the work they do. They earn incomes way beyond the male average weekly earnings in Australia of $37,000 or the median wage of $31,500. Not one of those ordinary people writes an article and gets paid that sort of money. Those commentators get paid immeasurably more, making them among the very top income earners in Australia. They are also elite in that they have a place to write and to expound their views endlessly, and they do so without any shame about consistently attacking those in the community who have the temerity to attack this government on its social policy in particular.

I note an article written by Robert Manne, who himself would accept the description that he is part of an elite, a former editor of the right-wing think tank magazine Quadrant, a person on the right who in the past, and in the example I am about to quote from, has commented that he believes Australia has to come to terms with reconciliation and the stolen generation. I want to quote his description of those journalists that I have just mentioned who, speaking on behalf of the battlers, do not claim to be part of an elite. He describes them as follows:
Some of the anti Bringing them home campaigners are now too old or proud to reflect on the cruelty of practices in which they were personally involved. Some hanker for a return to the good old days of assimilation, when Aboriginals were instructed by Europeans on how they were to live. Some are loyal sons who wish to vindicate the memories of their fathers, some former leftists who are so obsessed by the conduct of ideological combat against their former friends that they have come to believe that truth is simply the opposite of what they once believed. Some are general purpose right wingers who hunt in packs and can be relied upon to agree with whatever their political friends believe.

That is a description of those journalists and others who, in particular, attack the veracity of the Bringing them home report and attack the former Justice Wilson, the chief writer and chairman of that report. The argument of these right-wing commentators is that there were not 20,000 kids stolen; it was less than that. Well, if it were only 5,000, it would still be an abominable arrangement; it would still be an abominable policy. I find it extraordinary that these commentators say, ‘Well, they may have got it wrong by a quantum of 5,000 or 10,000, and if that is the case the policy was then okay.’ This is a moral issue. When you take children the way they were taken over the last 100 years in Australia up till about the 1970s, it takes on a moral dimension—whether you take 10 kids or 10,000 in the way they were taken, regardless of the various convoluted explanations given by these defenders, these apologists. What happened was terrible.

I want to conclude with the attack, the extraordinary beat-up, on Lowitja O’Donoghue by a journalist called Andrew Bolt. She said maybe the word to describe what happened to her could be ‘removed’ rather than ‘stolen’, but she never, ever moved away from the fact that she was removed from her mother. It may have been by the decision of her white father. Most of us in Australia would now say that, if it happened to a white family without reference to the mother or the mother having access to the children later on, the way it was done was abominable. Yet Andrew Bolt wrote this up as a justification of the view that the stolen generation report was a complete myth—that there was no substance to it. It is appalling that such a beat-up could take place. Lowitja O’Donoghue should be congratulated on the way she conducted herself despite this personal and vindictive attack by Andrew Bolt. (Time expired)

(Quorum formed)

Senator ABETZ (Tasmania—Special Minister of State) (8.30 p.m.)—Traditionally, the additional estimates, bills and appropriation bills are opportunities for wide-ranging debate. In this debate we have considered endangered frogs and discussed the government’s I think very well considered anti-drugs campaign. We have discussed building, railways and health. There have been a lot of excellent contributions throughout the debate. I especially commend Senators Brandis and Knowles on their very thought provoking and coherent contributions to this debate. As the topics covered varied widely, so did the quality. Some honourable senators used the opportunity just for a general spray at the government. There are a number of matters that I would seek to address, albeit briefly.

The last contribution was that from Senator Schacht. I just hope for his sake that after he engages in his enforced retirement from this place, courtesy of the Labor Party pre-selection procedures, he gets himself a life, because we had to listen to 20 minutes of absolute negativity. Everything was wrong with the world. There was nothing positive to contribute. There was nothing about what he or the Labor Party would have done. Senator Schacht sought to condemn the Prime Minister for making the comment about wanting Australians to be relaxed and comfortable. But the reality is that 800,000 more Australians now have employment as a result of this government’s policy; 800,000 more jobs in comparison with Labor which, whilst Mr Beazley was minister for employment, had one million unemployed people. When one looks at the statistics I think it can be seen that there are a lot of good figures which indicate the social benefits as a result of our economic policies.

Senator Schacht made some quite critical comments about the government and the GST. He asked what Mr Howard would be remembered for in five, 10 or indeed 20
years time, and said it would be for the introduction of the GST. I interjected: ‘And in 10 or 20 years time we will still have the GST.’ And guess what? Senator Schacht acknowledged that very point. So if Labor were ever to win government, they would not repeal the GST. I just wish there was a bit more dialogue between Senators Cook and Schacht, who sit only one person apart on the front bench. Senator Cook continually interjects during question time, saying that Labor will abolish the GST or that they are not going to keep it. He seems to be the only senator on the Labor side to argue that. It was good to hear from Senator Schacht once and for all that the Labor Party will be keeping the goods and services tax. That raises the question: if the Labor Party were to win government, what would they do? What are their policies? In all the contributions from the other side during this debate, we have heard nothing as to what they would do. They were very eager to pick up and throw a few stones but they did not mention what they would do if they were in government; how they would seek to improve the lot of ordinary Australians.

We had contributions on the excise on petrol and the removal of the 1.5c a litre on petrol excise but it was mentioned in a negative context. From that I would assume that if Labor were ever to win government again they would reintroduce it. Are they against our decision or do they support it? The Labor Party have to make up their minds. But the really telling point was in Senator Cook’s contribution when he said the Labor Party supports lower petrol tax. If the Labor Party supports lower petrol tax, the honourable senator might like to explain to the people of Australia why, in April 1999, he co-authored a document in a report of the Senate Select Committee on a New Tax System. Under ‘Conclusions by Labor Senators’, these are some of Senator Cook’s words: The GST package will encourage business to use more—as he described them—heavily polluting fuels ...

He went on to say: They will encourage private cars at the expense of public transport.

This was at a time when he was trying to get onside with the Green movement. He realises there is no future in that; now he wants lower taxes on petrol and so he has done a roll-back. But they are the only sorts of roll-backs we see from the Labor Party at the moment. Senator Cook quoted, with approval, the Australian Conservation Foundation:

This tax reform package is the only example in recent years of an OECD country introducing a net reduction in fuel and energy related taxes and charges. Even the conservative International Energy Agency has urged Australia to increase fuel taxes to curb energy consumption.

That was Senator Cook in April 1999. Now he is a convert to lower fuel taxes. It will be interesting to see if the Labor Party goes to the next election with a promise of further reduced fuel taxes, keeping in mind that it was the Labor Party that introduced the indexation on petrol excise which saw the excise raised on petrol go from 6c a litre to 34c a litre. Then, after that sort of history, Senator Cook complained that we were going to reduce tax on fuel too much. Now he is saying we are taxing it too much. But that is, unfortunately, indicative of the way the Labor Party approaches the issue of policy making in this country.

We then had quite a good contribution, if I might say so, from Senator George Campbell. I say that it was a good contribution because I have a feeling that those of us on this side are going to use his quotes, especially in our election campaign, because he complained in a general spray of the government on virtually everything. He complained about the $140 million relief on petrol excise. He complained about $500 million being spent on defence; of course he overlooked the fact that, if Mr Beazley had not presided over the debacle of the Collins class submarine, we would not have to be spending so much money in the area of defence. He even complained—how mean spirited is this?—on flood relief. The people in western New South Wales and in other parts of this country who have suffered the horrors of flood were being belittled by Senator George Campbell—Labor, New South Wales—who condemned the government for funding flood relief. I am sure the
Labor candidates in those rural seats will thank him for it when his words are quoted during the election campaign.

He even complained about the Alice to Darwin railroad—undoubtedly, Mr Snowdon, the member for the Northern Territory, would support him on that! Then he talked about the Centenary of Federation slush fund. If he thinks it is a slush fund, I wonder how many ALP members did not use the $200,000 per electorate allocated to them. Indeed, each and every Labor member used the $200,000, which now Senator George Campbell demeans as a slush fund. Complicity therefore in the slush fund is the activity of every federal Labor member. I will have great delight in going around Tasmania—for example, to St Helens, where money has been made available to the coastguard, or to the west coast of Tasmania where federation funding is helping to build the Abt railway—and saying to people, 'Labor thinks this is from a slush fund.'

He even had the audacity to attack our Tough on Drugs publicity campaign. You really do wonder where some of these honourable senators get their ideas from, but Senator George Campbell really has given us a great insight into the way that the Labor Party think and the way that the Labor Party will seek to gain office—that is, to be against everything we have introduced, no matter how good. The question that the people of Australia want to know the answer to is: what would Labor do, if they did happen to win government? Just being against what we did, or are doing, is not good enough. If he is against our anti-drug strategy, he might like to tell us whether he thinks drugs are good for society. Should we be encouraging people to use drugs? Where do the Labor Party stand on some of these fundamental issues?

The Labor Party traversed every single area, other than the appropriations, because they know that this government has a very sound record when it comes to economic management. The 2000-01 additional estimates support the budget, which addressed the government’s key social and economic priorities: implementing a modern, fair and effective taxation system; improving the living standards and future economic prospects of all Australians; supporting rural and regional Australia; and strengthening families and providing a fairer welfare system. The 2000-01 additional estimates also provide funding for important measures to meet real needs, including a 10 per cent reduction in the maximum rate of rental assistance—not a single Labor senator addressed that issue; an extension to the Diesel and Alternative Fuels Grants Scheme to include a wider range of vehicles; funding for the sugar industry assistance package; and funding for the construction of Reconciliation Place in the parliamentary zone. We heard the spray that Senator Schacht delivered just before I rose to my feet, and he did not mention even once that, in these bills, funding is being made available for Reconciliation Place in the parliamentary zone. If Senator Schacht was genuinely interested in reconciliation and not just in cheap politics, he would have at least given us a bouquet for that. But of course he does not; it is not in his nature to do so. Additional estimates funding has also been made available for students with disabilities attending non-government schools. I would have thought that people who allegedly have a social conscience might have raised that if they were genuinely concerned about this issue—but no, they do not. And funding is available for the new Regional Solutions Program, which Senator McLucas and others were so keen to disparage. But what is their proposal? Nothing.

The government has placed Australia in a strong fiscal position. The government is justifiably proud of its achievements. The budget is in surplus for the fourth year in a row and will be in surplus throughout the forward estimates. This means the government is acting responsibly. It is not spending money it does not have and it is not running up debts. The previous Labor government were mortgaging the future of young Australians by spending up big today, wanting the next generation to pay off their profligacy. Intergenerational responsibility requires that governments of today do not mortgage the future of their children. We, as this generation, being aware of the outrageous expenditure patterns of the previous Labor gov-
ernment, have paid off $50 billion worth of Labor incurred debt—that is $50 billion worth of debt removed from the shoulders of the children of Australia, so that, when the next generation come through, they will have the independence to make the economic decisions they want and not be forced into a situation where they have to pay off Labor’s debts. So we are addressing the irresponsibility of the previous Labor government.

Net public debt interest payments have fallen by 36 per cent, providing around $3 billion more this financial year to spend on better services for Australians—freeing up $3 billion worth for services that the Labor Party would rather be giving to the international bankers as interest on the loans that they racked up during their previous period in government. Most people would remember that, under Labor, mortgage rates peaked at 17 per cent and small business lending rates were at 20 per cent plus. Under this government, official interest rates have fallen to 5.5 per cent. As a result, households with a $100,000 mortgage save around $3,200 each year. That is a figure worth repeating: a $3,200 saving on a $100,000 mortgage each year. That means more money in the pockets of the average Australian household, who quite rightly aspire to own their own dwelling.

There are about 800,000 more Australians in jobs than there were five years ago. Unemployment has fallen below seven per cent and has remained there for the last year. That is in stark contrast to the period under Labor, which saw over one million people unemployed. From December 1999 to December 2000 exports increased by 5.9 per cent, seasonally adjusted, and the current account deficit fell from six to four per cent of GDP, in current price terms.

Like the last four budgets, the last budget contained no increase in company tax, wholesale sales tax or income tax. In fact, we introduced the largest income tax cuts ever to come into force in Australia. We cut the company tax rate to 34 per cent and we abolished the wholesale sales tax. For the income year 2001-02, the tax rate falls to 30 per cent for companies. On 1 July last year we introduced the new tax system, one of the largest structural changes to the Australian economy, probably the largest since World War II. It is heartening to note that not one of the Labor senators making a contribution in this debate said that Labor would get rid of it. They are in fact committed to keeping it. Why? Because they recognise it is a good system and if they were to ever win the treasury bench they would want the benefits of such a tax system.

We have reformed income tax, indirect tax, family assistance and Commonwealth-state financial relations. Each taxpayer received an income tax cut. The government’s new tax system includes a significant reduction in income tax, worth around $12 billion a year—the result of both an increase in the tax free threshold and reductions in most marginal rates. Now, 80 per cent of Australians pay a top tax rate of no more than 30 per cent. Our old tax system was outdated and inefficient. It forced exporters to sell products overseas with taxes built into the price of their products while the rest of the world let their exporters sell to world markets tax free. It also put a disproportionate tax burden on manufacturers. By abolishing wholesale sales taxes, lowering capital gains tax and lowering company tax rates, we are removing these shackles from our exporters and manufacturers. We are building an internationally competitive business tax regime.

Every dollar raised by the goods and services tax is paid to the state and territory governments. And we did not hear one of the Labor Treasurers complain about the GST during the meeting held here in Canberra last Friday, because it is the money that will provide the schools, the hospitals, the police and the roads of the future. The days of state governments relying on financial assistance grants from the Commonwealth are now over. These bills are part of a fiscally responsible budget that delivers the government’s fourth consecutive budget surplus and provides for further reductions in government debt. I commend the bills to the Senate.

Question resolved in the affirmative.

Bills read a second time, and passed through their remaining stages without amendment or debate.
ADVANCE TO THE PRESIDENT OF
THE SENATE
ADVANCE TO THE MINISTER FOR
FINANCE

Consideration resumed from 14 August

In Committee

Motion (by Senator Abetz) agreed to:
That the committee approves –

(a) the statement of Issues from the Advance to
the Finance Minister as a final charge for the year
ended 30 June 2000; and

(b) the details of amounts determined from the
Advance to the President of the Senate for 1999-
2000.

Resolution reported; report adopted.

ADMINISTRATIVE DECISIONS
(EFFECT OF INTERNATIONAL
INSTRUMENTS) BILL 1999

Second Reading

Debate resumed from 5 June 2000, on
motion by Senator Ellison:

That this bill be now read a second time.

Senator BOLKUS (South Australia) (8.52
p.m.)—I rise to speak on the Administrative
Decisions (Effect of International Instruments) Bill 1999. In doing so, I indicate that
it has been some six years since the decision
that led to this legislation was brought down
by the High Court of Australia. That six-year
period has given us an adequate amount of
time to reflect on the decision, analyse it,
experience its implications and study it in the
cold light of day. It has been an opportune
period for, the more time we have had to re-

In retrospect, I think it is fair to say
that we were led to believe that the implica-
tions of the decision were a lot broader and
more pervasive than the decision in the cold
light of day would now suggest. That six-
year period has been an important time pe-
riod for us to be able to come to that realisa-
tion. We have come to the position we are
now, having learned a lot from the last six
years. We look back at the initial reaction
and see that there was a rush for cover at the
time. The body politic feared that, because of
the Teoh decision, all treaties had immediate
and instantaneous effect in Australia once
they were signed.

I think there was a fear around the place
that such treaties would have an effect in
substantive law. There were a few that, in
many instances, may not have been of con-
cern to people here, but they were the sorts
of the themes that were being propagated by
some of the journalists who get paid large
amounts of money to think very little. They
propagated fears that government decision
making would be paralysed and that crimi-
nals would be able to abuse the system by
invoking some UN treaty or other. People
were also led to believe that, worst of all,
asylum seekers would be able to stay in this
country and be able to invade Australia in
growing numbers. In a sense, if you were to
look back at that period of time, you could
sum up the concerns at the time with a gen-

eralisation that there was a fear being propa-
gated in the community by conservative
journalists, and the then conservative oppo-
sition, that the one-world government was
here and we would be governed from Ha-
vana via the United Nations. In the cold of
light of day we can now say very clearly two
things: those fears have not materialised and
the High Court decision in Teoh was not the
radical legal precedent that it was made out
to be by some at the time.

The fact that we have this legislation be-
fore us today shows that there is only one
sector in our community that has not learned
from that intervening period. That, of course,
is the government. They have not taken the
opportunity to make the assessment that
most others in the community have made
over this intervening period. In fact, it is fair
to say that one member of the government,
the Attorney-General, has gone backwards.
When one looks at the statements he made at
the time of the Teoh legislation first being introduced—and I will go to those later on—it is clear that the current Attorney-General better understood the implications of the Teoh case than many others. It is unfortunate now that, with the passage of time, he has been forced into a position to fear what, at the start of the process, he thought was quite a non-controversial decision.

Why are we in that position? Is the government the only force that has gone backwards? You have to ask yourselves: why has there not been a rational assessment within government of this case? Why are we now confronted with legislation which, in most ways, has not led to the materialisation of the concerns that were expressed at the time? Is the government not up to assessing legal cases? Is it not resourced sufficiently to come to a conclusion that most of the community have come to? Why are we now confronted with legislation which, in most ways, has not led to the materialisation of the concerns that were expressed at the time? Is the government not up to assessing legal cases? Is it not resourced sufficiently to come to a conclusion that most of the community have come to? Why does it fear Teoh? When you give it the benefit of the doubt and assign to it the capacity of a reasonable person, you only come up with one answer to that question, that is, what we are engaging in here is the plain old politics of victimising the victim.

Why are they doing this? Because this is a government living in fear of the One Nation vote. How do they get that vote back under the Liberal conservative umbrella? You tell One Nation voters that they have something to worry about and then you tell them that you will fix it, knowing all along that the fears you are propagating are not real fears and you are treating One Nation voters like mugs—and this is the irony of this legislation and this decision—and knowing all along that the Teoh decision assigns to citizens in this country a set of procedural rights that requires that those citizens be treated fairly in accordance with the principles of natural justice. That is what Teoh was essentially all about—assigning citizens their rights to fair treatment by governments and assigning them rights under a plain old concept of a legitimate expectation of being treated fairly. We have a Prime Minister and a government now prepared to go out there denying the experience of the last five to six years and wanting to tell particularly One Nation voters that they have something to fear and that these UN treaties will impinge upon the sovereignty of Australia.

All you have to do is go back to the Teoh case in the cold light of day and come to the firm appreciation that that case was about assigning to citizens of Australia and people living in Australia rights to be treated fairly under common-law principles. There was an overreaction at the time. Legislation was deemed to be necessary, but it was deemed to be necessary to, in a sense, eradicate the fears that were being propagated. That legislation and the need to overcome those fears will form the basis for the amendments that I will be moving later.

The bill before us seeks to overrule the High Court’s decision in the Minister for Immigration and Ethnic Affairs v. Teoh. In Teoh, the High Court held that when an international agreement is ratified by Australia a legitimate expectation arises that the administrative decision makers will have regard to that treaty in fulfilling their obligations of—and I stress this—procedural fairness. The common-law doctrine of legitimate expectation is concerned with procedural fairness—fairness which must be applied in any administrative decision affecting an individual, unless it is expressly excluded by statute. Fundamentally, the doctrine of procedural fairness is about giving people the opportunity to protect their rights, interests and legitimate expectations from the adverse effect of administrative decisions.

Case law has been developed over a long period of time. The concept of legitimate expectation is a concept that did not arise in just Teoh’s case. It is a concept that has been developed by the High Court over some 10 to 13 years. I will go to that point later. The cases suggest that there are four principal sources which courts recognise as capable of rendering expectations legitimate. The first is the regular course of conduct which has not been altered by the adoption of a new policy. The second is an express or implied assurance made clearly on behalf of the decision making authority within the limits of the power exercised. Third are the possible consequences or effects of the expectation being defeated—this is especially the case where those consequences include economic loss
and damage to reputation—providing that the severity of the consequences is a function of justified reliance generated from substantial continuity in the possession or the benefit of a failure to be told that renewal cannot be expected. The fourth is the satisfaction of statutory criteria.

International treaties and conventions have influenced the construction of a statute or subordinate legislation. It is clear that international conventions may play a part in the development by the courts of the common law. So it can be strongly argued, as it is, that referring to treaties as a basis for legitimate expectation is merely an extension of that second criteria I mentioned earlier—the expectation which arises from statements of the executive. In essence, if an executive states in one way or another that it will treat its citizens in accordance with a certain form of process or a certain form of procedure, the courts have held—under a number of diverse aspects of the concept of legitimate expectation—that citizens can expect to be treated in accordance with those processes. That is what we are talking about being adopted by the High Court in the case of Teoh.

As I said, the concept of legitimate expectation needs to be understood for what it is and what it did. It was not newly invented in Teoh; it was developed over a 10 to 13 year period. It was developed in preceding cases such as the Kioa case. It is not a concept peculiar to just the Australian legal system; it is a concept peculiar to the British common-law system that operates in Australia. It is a concept that applies in the UK, and it applies in other countries that share that common-law history.

It also needs to be stated that that concept, as reflected in Teoh and as reflected in other countries, does not impact on substantive law. The United Nations is not legislating with effect within Australia in a substantive way. What it does do is impact on procedural fairness. If the public is led to believe—either by a press statement, a statement in parliament, a clause note or government advertising—that a government would act in a certain way, then that expectation is one that the citizen can rely on, and that expectation is one that would be respected by our courts.

We are talking here of essentially a very fair principle. It is a principle that protects citizens. Governments should act in the way they say they will act. We pass laws here and there are aids to interpretation—we go to second reading speeches, clause notes and ministerial statements. It is recognised that quite often legislation is not clear and does not cover all cases and all circumstances. That is the main force driving the common law that applies in this country. Where there is no clarity and where there is vagueness, courts are entitled to, and do, go further to seek assistance in trying to work out what the legislation means. In that respect, they go to the body of instruments I mentioned. Courts have relied on parliamentary statements, advertisements, doorstops and press statements.

The Teoh case recognised all this and the court said that, in assessing the law before it—in trying to discern how a government would act—it would look at not just all these documents and all these indications of an intention but also international instruments. It is fair to ask, and the High Court did ask, this: if a press statement, clause note or statement in parliament is included as an aid to interpretation, then why not give some respect to international undertakings and commitments? It came to the conclusion that such instruments should be treated and recognised as aids to interpretation.

It is also fair to say, for instance, in this particular case—and this is where, driven by the wrong intentions, the government is making a fundamental mistake—that, if this legislation proposed by the government were to apply, an international instrument could not be considered by the court. But if the ministers were to ask a dorothy dixer in this place or to put out a press statement explaining the government’s position in respect of any particular treaty they might have signed up to, explaining what that would mean and how that would benefit Australian citizens, then that press statement, that answer in here, could be taken into account by the court, whereas the fundamental instrument about which that statement was put out could not be. It is a ridiculous situation the government is asking the Senate to endorse.
There was an overreaction at the time, and that has been acknowledged publicly by our former ministers Michael Lavarch and Gareth Evans. It was based on a fear that treaties could overturn domestic law, would effect substantive law and would dictate the substantive outcomes. Both Michael Lavarch and Gareth Evans have come to the realisation that those fears have not materialised. One person in this place who did not share those fears was the current Attorney-General, Mr Williams, who is recorded in the Hansard of 21 September 1995 as quoting from the High Court judges. He quoted Chief Justice Mason and Justice Deane and said they ‘affirmed the importance of international treaties and conventions’ when they said:

... ratification by Australia of an international convention is not to be dismissed as a merely platitudinous or ineffectual act, particularly when the instrument evidences internationally accepted standards to be applied by courts and administrative authorities in dealing with basic human rights affecting the family and children. Rather, ratification of a convention is a positive statement by the executive government of this country to the world and to the Australian people that the executive government and its agencies will act in accordance with the Convention.

Mr Williams at the time quoted a number of the justices and then went on to say:

The government’s attempt to neutralise the High Court’s Teoh judgment was rightly met with criticism from eminent quarters.

Mr Williams was a lot more sanguine at the time than those conservative commentators. Six years later, he is being forced to take a position which I am sure he does not believe in. Let us look at those last six years as an indication of how the fears have not materialised. Six years later, there has not been one further case before the High Court of Australia invoking the principles of Teoh and not one case decided in the Federal Court. Administrative procedures have been adjusted by the bureaucracy and the fears have not materialised. In terms of the practical effect of Teoh, for instance, the actual instrument that was the subject of that case—the Convention on the Rights of the Child—was included in criminal deportation policy as a consideration in 1992. Since then, the procedural expectations that may have been raised by the treaty have been met by the relevant departments.

We will be moving amendments to improve the operation of the bill and to basically rule out the sorts of fears that were being propagated at the time but also to respect the continuity and the importance of the common law in our legal system. We are now driven by a real appreciation that we have to legislate to rule out those fears and, at the same time, to respect the common law and domestic law concept of legitimate expectation. The government’s plan now is not only misguided but also flawed. It is unworkable. To pass legislation which would exclude from consideration by the courts of this country international treaties—although it would allow the inclusion of just about every other utterance by government, either in statements or in paid commercials—is an inconsistency which just does not work. In order to satisfy community concerns, we think it is important that amendments are moved to exclude the sorts of operations that people fear. We will be moving those amendments during the committee stage of this debate. As the shadow Attorney-General has already indicated, if our amendments are not met with support in the Senate then we believe this legislation should not be supported by the parliament and we will be voting against it.

Senator GREIG (Western Australia) (9.12 p.m.)—The Administrative Decisions (Effect of International Instruments) Bill 1999 represents the third attempt by the Australian government to override the decision of the High Court case we know as Teoh. The Democrats have consistently opposed all such attempts. It is worth recapping for the record the scenario that we understand to be the Teoh case. On that occasion in 1995 or thereabouts, Mr Teoh, then living in Australia, was the subject of an extradition order from his home in South-East Asia, following the allegations of Mr Teoh’s involvement in possible criminal activities. The allegations are not relevant to this scenario. The only relevant point is Australia’s response to the extradition treaty and the manner in which the immigration department dealt with it.
Mr Teoh arranged to have argued before the High Court not only that his forced removal from Australia was an awful price for his young children to pay but, further, that to separate this father from his children under such circumstances could well breach the Convention on the Rights of the Child. At issue, so far as the High Court was concerned, was the effect of this convention—signed but not ratified in Australia—through the process of enacting the convention into domestic law. The High Court was given the task of deciding whether or not government departments—in this instance, the immigration department—ought to give consideration to the intent of signed treaties that do not have the same legal effect of ratified treaties. At issue then was not the fact that the convention had been signed but what, if anything, was its effect within an Australian jurisdiction, given its status.

Mr Teoh had two small children, born and raised in Australia, although at that time without a mother. He brought this issue to the fore in what has now become a celebrated legal case with interesting consequences, given that the High Court found—to the discomfort of the then Keating Labor government—that, yes, the government ought to give consideration to signed international treaties when making administrative decisions. So far as we Democrats are concerned, that was a sensible and welcome proposition and goes some small step towards supporting the notion that Australia’s citizens need some form of bill of rights—or system of legal or administrative protections, most particularly in the absence of a bill of rights in this country. To our great shame, Australia remains the only Western democracy without a bill of rights, whether constitutional or statutory.

We Democrats will continue to oppose the anti-Teoh bill because it seeks to wind back by stealth progressive human rights reform—this advance in equity and justice—and we do so because, unlike the government, we believe strongly that Australian governments should have to take into account their international obligations when making administrative decisions. This legislation may fit comfortably within the Howard government’s broader agenda of marginalising and ignoring Australia’s international human rights commitments, but such an agenda is the antithesis of the Democrats and we remain vehemently opposed to it. We are cognisant that this bill in its original form was the creation of the Labor Party but pray that, following community outcry and condemnation of the concept of the anti-Teoh bill from human rights groups and Amnesty International in particular, the ALP might seriously reconsider what appears to be its in-principle support for anti-Teoh style roll-back.

Fundamentally we face a question as to what status we will allow international obligations to have in this country. Time and again the government has clearly expressed a preference for international obligations to have no bearing on the manner in which it treats people. Whether it be its treatment of indigenous people, refugees, juvenile offenders or women, it seems that this government does not accept that it should have to make good on its promise to the international community and its overtures on human rights in international fora. The real disappointment is not that we are denigrated in the eyes of the world; it is that people in this country see the government signing a human rights convention and feel that we are starting to take human rights seriously. As this bill shows, nothing could be further from the truth.

I now turn to the Teoh decision to make clear exactly what this decision did not rule. It needs to be said that the Teoh case did not rule that Australia must abide by its international commitments. It left the government to do largely what it wants to do, and that is to refuse to implement treaties that require the recognition of fundamental rights in this country. What Teoh did say is that, if the government is going to make an administrative decision affecting a particular person, and that decision violates our international legal obligations, that person must be given the right to be heard in respect of that decision.

Teoh left the door wide open for the government to treat people totally inconsistently on human rights issues. All the decision said was that, if you are going to do that in a particular individual case, you must give the
person in question a chance to argue their case before you reach a final decision. I ask the government why it cannot at least give people whom it proposes to treat so poorly a fair hearing. High Court decision or not, isn’t this something the government should want to do purely in the name of governing well and treating people with dignity and respect?

The sad fact is that this modest measure of basic fairness had to be conferred by the highest court in the land. Sadder still, both the government and the opposition have at various times attempted to overrule that considered and just ruling based on little more than a hostility towards international obligations and a sense that we will be jumping into the abyss if we have to take these obligations seriously. In doing so, this sends the hugely disappointing message to both the electorate and the wider community that the government is happy to pay lip-service to human rights and to foster the myth of a fair go for all in the lucky country, when this is just window-dressing and tokenism to mask a real agenda of indifference or hostility to basic human rights standards.

Labor and the government should remember that we have lived with this decision for six years. It turns out that there was nothing in the abyss to be afraid of apart from a bit of dignity and fairness for people at the mercy of Australian bureaucrats. Both the government and the opposition are tarred with the same brush on this issue. The original proposal to overrule Teoh came from the Labor government of 1995, but the bill lapsed with the calling of the election. The Howard government attempted it in 1997, but the bill again lapsed with the calling of the 1998 election. The government tries again tonight. On this occasion, Labor has moved some insubstantial amendments in the House, seemingly in an attempt to conceal its complicity in this matter.

There are two basic falsehoods that the government is running with on this matter. The first is that if we do not overrule Teoh there will be widespread uncertainty in administrative decision making, prompting administrative chaos. This line might have convinced some when Labor ran it in 1995, shortly after the decision was handed down. Two years later, when the coalition tried it for the first time, there was ample evidence that the dire predictions had not come to fruition.

At the 1997 Senate Legal and Constitutional Affairs References Committee inquiry, the Human Rights and Equal Opportunity Commission stated, ‘One would be hard-pressed to identify even minor difficulties which had flowed from the decision.’ It noted that Teoh had not resulted in an identifiable increase in litigation challenging administrative decisions. It was also pointed out by a number of international law academics that there was little potential for increased uncertainty, given that the number of international treaties relevant to particular agencies is small. Compliance with the few relevant treaties would be unproblematic.

Six years have now passed since the Teoh decision was handed down. There has been no administrative chaos. Government departments have made the necessary adaptations and have got on with the job. It seems the pursuit of the eradication of this High Court ruling is based on politics and perceived superficial electoral advantage at a time when UN bashing has become popular with some sections of right wing political parties, and the mantra of ‘let Australians decide their own laws’ has muddied the issue and misled the voters. Frankly, it amazes me that the government persists with this legislation.

The second line that is being run is that the Teoh decision upsets the balance between the legislature and the executive. The High Court of Australia is the guardian of our Constitution and the separation of powers it mandates. The High Court says that the Teoh decision strikes the right balance between the executive and the legislature. We Democrats agree.

It is an established principle that it is for parliament to implement international obligations. The government argues that the Teoh decision effectively allows the executive to implement treaties. No matter what spin you try to put on it, the fact is that the Teoh decision in no way incorporates the substance of our treaty obligations into domestic law. The mere fact that a treaty re-
quires that people be given a particular right does not mean that such a right exists in domestic law. Under Teoh all it means is that, in the ordinary course of things, a person must be given the right to be heard if an administrative decision is to be made that would deny that right. In other words, Teoh created only procedural rather than substantive rights. It remains for the parliament to determine whether the substance of the treaty is to be incorporated into domestic law.

The High Court’s decision in this matter was a considered and balanced one. It is worth considering what Chief Justice Mason and Justice Deane had to say about what it means for the executive to sign and ratify a convention. They said:

Ratification of a Convention is a positive statement by the executive government of this country to the world and to the Australian people that the executive government and its agencies will act in accordance with the Convention.

The conclusion the court rightly drew from this is that the ratification of a convention or a treaty by the executive is a sufficient foundation for a legitimate expectation that the executive will actually comply with that treaty or convention. This legislation seeks to reverse that, and it smacks of hypocrisy. The government agrees to sign treaties but then legislates to ensure that our public officials do not have to take any notice of them. We are presenting a two-faced image to the world by allowing the government to rhetorically support international treaties on the one hand but actually ignore them on the other.

The fact is that we have lived quite happily with the Teoh decision for six years. The dire predictions of administrative chaos have proven utterly groundless, and there is no reason at all to persist with this legislation. This legislation proposes to permit the Australian government to flagrantly disregard its international human rights commitments when making administrative decisions that affect the lives of ordinary, average Australians. The government may talk about a fair go for all, but the sole purpose of this bill is to remove a basic element of procedural fairness injected by the High Court into our administrative decision making processes. So this bill and its origin is a sad and sorry tale that says far more about political knee-jerk reactions and misrepresented issues than it does about our place in the world and our desire to be seen as good international citizens.

It says a lot about the Labor opposition, which initiated this form of legislation when in government and which has flirted with the concept or resuscitating it for some time. It says a lot about the opposition, which did not oppose this very bill last month in the House of Representatives—or at least it made no concerted attempt to place on record its opposition to it by voting against it in any formal sense. All Australians and community groups involved in human rights ought to be praised for the lobbying and public advocacy in which they have engaged against this bill over the last few weeks. It is clear that this campaign, born of anxiety and concern over the ALP’s apparent ambivalence on this bill and the issues behind it, could have been successful. Labor is making noises about opposing this bill under certain but inevitable conditions and, had those conditions arisen, this campaign may have been successful.

For Labor to now say that it cannot support the bill if its proposed amendments fail, knowing full well that the Democrats and, I understand, the government have made clear their intentions to oppose those amendments, makes the statement a little fatuous. However, it seems that this too cute by half proposal by the opposition will provide it with the political escape route it needs to distance itself and repudiate its original adherence to the anti-Teoh proposition before us tonight. However, if it requires the Democrats, with our position of responsibility through the balance of power, to pull Labor over the line on this critical human rights issue by opposing its amendments, then we will do that.

I recalled the other night that in approximately 1995, I think it was, I received a phone call at home from a man whose name was Theo, but I do not recall his surname. He was calling me as a human rights activist in Western Australia. He invited me to a public meeting and press conference to be held in the Christian Centre for Social Action in Subiaco. It involved a case called Teoh, about which I then knew nothing but was to learn
much more. I went along to this press conference to be informed, as best I could in the small time given, about what it meant and what the bill would mean if it should pass. I was horrified by the prospect and did not understand why the government was persisting with it. So I participated then, in 1995, in a press conference advocating strongly against the then anti-Teoh bill. It only came to me just the other night that I had done this. It was something I had forgotten about. It is a matter of great pride for me to now be here in this chamber not only as a senator for Western Australia and as a Democrat but also in the knowledge that this is yet another human rights issue on which the Democrats can stand proud. For that reason, we remain vehemently opposed to this legislation and will clearly oppose it throughout further debate on this, both on the proposed amendments during the committee stage and at the final reading. I call on both the opposition and the government to oppose the bill outright.

Senator COONEY (Victoria) (9.28 p.m.)—Last week in the House of Representatives, a debate began on a bill that seeks to address the problems raised by the decision in the case of McBain v. the State of Victoria, which has to do with the extent to which the Sex Discrimination Act has force in Australia. Those who support the Sex Discrimination Amendment Bill (No. 1) 2000, which will modify the effect that the Sex Discrimination Act has, say that the amendments are needed because of the interests of the child. The member for Herbert, Mr Lindsay, said last Thursday that the Sex Discrimination Amendment Bill (No. 1) 2000 has much to do with the rights of the child because it would enable the states to pass legislation which will give proper weight to the right of a child to a father. Mr Lindsay said:

... it deals directly with the right of a child in our society to have the reasonable expectation of the care and affection of both a mother and a father. This has been a successful practice for thousands of years in every society, and the bottom line is that boys and girls need a loving mother and a loving father. That bill is to come before this chamber, and the government is pressing the bill because it says that it is intent on ensuring that children are given, as far as possible, a loving family, with access to not only a mother but also a father. If that is the government's approach, it should rethink its approach to the bill we are now discussing, the Administrative Decisions (Effect of International Instruments) Bill 1999. This bill says that in accordance with the procedure suggested in the decision of the High Court public servants need not take into account the fact that Australia has signed and ratified the UN Convention on Rights of the Child or indeed any other convention. The government says therefore that the rights of the child are very important when the sex discrimination amendment bill is being debated but they are not so important when the Administrative Decisions (Effect of International Instruments) Bill 1999 is being debated. It would seem to be inconsistent that at one level, when assisted reproductive technology is being considered, a child is entitled to a father, but when it comes to having a father available for seven children—which was the case in Teoh—the father suddenly becomes less important. There is no doubt that that is what Teoh was all about. The words of Chief Justice Black in his judgment of the Full Federal Court sum up, better than many others, what this case is all about. Chief Justice Black states:

Counsel for the appellant did not contend that the United Nations Convention on the Rights of the Child, to which Australia became a party in 1990, had become part of Australian domestic law or that the decision-maker was bound to take its provisions into account when making a decision that might affect children. The Convention does however form part of the general background against which decisions affecting children are made, in that it is a statement of what the international community, including Australia, regards as appropriate behaviour by nations with respect to children within their jurisdiction. It reflects the standards to which Australia is seen by the international community to aspire as a mature and civilised nation. Those standards emphasise that special care should be taken when decisions are made that may profoundly affect the lives of young children by parting them from a parent and exposing their family to the risk of disintegration...

It was in those circumstances that Teoh arose. What the Federal Court was concerned about—and, indeed, what the High Court
was concerned about—was that these seven children and Mrs Teoh, all of whom were Australian citizens, should not be deprived of their father and husband. That, fundamentally, is what we are debating tonight. The government’s proposal has the effect of making it possible for families to be broken up without due consideration being given to the children and to the mother. People say that the government is overruling Teoh, but what the High Court said is that, unless the government declares that a convention is not to have some influence on Australian law, it will have that influence. If the government declares that it is not to have that influence, then it will not. So it is wrong to say that this legislation overrules the High Court decision. What it does is to accept the invitation of the High Court. However, it does defeat the purpose that the High Court was seeking to put into operation; that is, to give these children proper consideration when a decision was being made as to whether or not their father should be sent out of the country. That is what happens here.

People do get worried about international conventions. It is proper and right that, as a nation, we should have a say in whether a convention is to operate in Australia. But when a government signs and ratifies a treaty, then it is proper that Australia be held responsible for that action to some extent, which was what the High Court was saying. That would seem to be right. If, as members of an international community, we sign and ratify a convention, we say to people around the world that we will do what this treaty purports unless we are already doing it. In other words, if a treaty says—as this one does—that we should think about the family, try to encourage the family and give children a good and secure family, and we ratify it, Australia is saying either that we do that already, that we have laws which ensure, as far as possible, that families are good families and that children have a secure and loving milieu in which to operate or that we will do it soon. If, as a nation, we say that, then we are making a deliberate choice to see that the particular convention is put into operation.

When the Convention on the Rights of the Child was signed and then ratified, the Joint Committee on Treaties was not then in operation. The fact that parliament now has a greater purchase on treaties is significant. When we are considering the Administrative Decisions (Effect of International Instruments) Bill 1999 it is proper to remember that a lot of water has gone under the bridge and that steps have been taken to ensure that parliament and, through parliament, the people of Australia have a say in what treaties are ratified. Indeed, the Joint Committee on Treaties has held hearings around Australia on CROC—the Convention on the Rights of the Child—and has heard submissions. The committee has been around Australia on other treaties as well, and I think that is a very good system.

It would be a pity if this bill was put forward so that people could say that this parliament of Australia does not worry about the interests of the children, that it has a double standard when it comes to the issue of assisted reproductive technology. If we say that an unmarried woman or a woman without a spouse or partner is to be denied assisted reproductive technology because her child would be denied a father, then we should not be passing this particular bill which, as I say—and I think it is something that could be repeated again and again—denies children a father. That was what the Teoh case was all about. When that matter was argued before the High Court, Justice McHugh made clear his thoughts on this matter and pursued the sort of line that Chief Justice Black pursued in the Federal Court. I would like to go to the case itself. I see that Senator Ludwig will follow me and give his thoughts on the matter, and he is more than qualified to talk about the judgment. When discussing with Mr Tracey the issues of legitimate expectation and the ratification of the convention and what that meant, Justice McHugh said:

But why do you have to go that far? I would have thought that if the Convention had never been dreamed of, that nevertheless the children would have an interest to be heard independently of—but it throws up the point in a sense that the wrong parties are before us. You say that the applicant can run this case, but really I am not sure that he is a person aggrieved in the relevant sense—not that we are going to take any point about proper parties. But really the real parties here are the wife and the children. They are the
wife and the children. They are the persons who are really aggrieved by this exercise of power. It is their interests, on your argument, that have not been properly taken account of, not his.

I think Senator Bolkus was right: we have become afraid of the Teoh case. It is time that we looked at it to see how it came before the courts and to see what was principally at issue in the case—that is, the right of children to a family. Everyone seems to agree upon that.

As I keep saying, because I think it is very significant, it is strange that the government takes one approach with one piece of legislation and takes another approach with another piece of legislation. It is important to understand that conventions—or, in any event, the ones we adopt—are not strange instruments that bring upon Australia a legal regime that is in any way bizarre. These conventions which are signed up to and ratified express the sorts of things that we would all tend to agree with. That is what should be looked at here—not so much the convention but what the convention expresses. I suggest that is what the judges I have referred to were saying: you have to look at what the real issue is.

It would be a very bad thing if this legislation went through as it is presently framed. Senator Bolkus has spoken of amendments proposed by the opposition. Senator Greig has said that they are not sufficient. But if you look at what the amendments proposed by Senator Bolkus say, Senator Greig might not be looking at things correctly. What is being said is that the law develops in two ways—the court itself says this, and I hope Senator Ludwig will talk about this: through legislation, or by the courts developing the common law.

The issue of reasonable expectation is a matter that lends itself to development within the common law. It is the sort of thing about which the people Australia would say, ‘Yes, that is a reasonable proposition put forward by the court and it ought to be part of our law.’ There is, in other words, great scope for the common law to develop the rules and regulations under which we live. The judges have a long tradition, a lot of wisdom and an appreciation of how society works and they can use those qualities to develop the law—looking, of course, at the sorts of standards that are set around the world, expressed as they are in the very many conventions that people around the world have decided are reasonable.

We do live in a global community. Living in a global community does not mean that we should grab everything willy-nilly and accept whatever the world wants to put upon us. But it does mean that, if we are part of the world community, we ought to look at the world standards that are set up in the international forums—in particular, in the United Nations—see what those conventions say, judge how those conventions would operate in Australia and then ratify appropriate conventions.

We ratified the convention that gave rise to this case. Having made that decision as Australians in a responsible way, we should not simply then walk away from it as if it meant nothing. To say it means something in international law but not in domestic law is a very strange concept. We should bring the international law into our own law through legislation and through the common law. That is the sort of lesson we should take out of Teoh.

Senator LEES (South Australia—Leader of the Australian Democrats) (9.48 p.m.)—I rise tonight to join my Democrats colleagues in speaking very strongly against this piece of legislation. Just as we did in 1995 and in 1997, we absolutely reject in 2001 the Administrative Decisions (Effect of International Instruments) Bill 1999. This bill is this government’s response—just as we did in 1995 and in 1997, we absolutely reject in 2001 the Administrative Decisions (Effect of International Instruments) Bill 1999. This bill is this government’s response—to the High Court decision in the Teoh case. I commend Senator Cooney for his excellent briefing as to the origins of this particular case. It related to the plight of the seven Teoh children and their mother if the husband and father had actually been removed from them.

In reviewing the matter, which found its way all the way up to the High Court, that court found that there is a legitimate expectation arising from an international treaty unless there is a statutory or executive indication to the contrary. Basically, that is what we are doing as we yet again visit this par-
ticular piece of legislation. This has been through an extensive committee process and I must agree with many of the large number of witnesses who came before the Senate committee that this is in fact a very modest decision by the High Court. It is nothing out of the ordinary.

Debate interrupted.

ADJOURNMENT

The DEPUTY PRESIDENT—Order! It being 9.50 p.m., I propose the question:

That the Senate do now adjourn.

OneSteel Limited

Senator BUCKLAND (South Australia) (9.50 p.m.)—Tonight I want to talk about the operations of OneSteel, the company that came into being when BHP Ltd decided to divest some parts of its steel business by the process of a spin-out. Before I continue, I need to declare that I have a personal interest in both BHP and OneSteel, to which I will make many references. I also wish to make it clear that I had a personal involvement in many of the actions and negotiations which led up to the spin-out being effected, and I will refer to some of those.

On 6 October 1999, BHP announced that it would divest those parts of its steel business that did not fit its long-term strategy. At the time, BHP said that it understood that the announcement may cause some anxiety for its employees, its customers and its communities. There was certainly concern on the part of employees and there was certainly concern on the part of the communities affected by the spin-out. The effects of the concerns on customers is not so well known to me, but it seems that the stakeholder group were the best informed by the process conducted by BHP. BHP’s communications with employees and the community were less satisfactory and caused a lot of anxiety right up until the new company’s senior management team was named.

With the announcement in late February 2000 of the appointment of Dr Bob Every as Managing Director and Chief Executive Officer of OneSteel, the communication lines began to open up. Dr Every, with his long association with the steel industry, knew of the changes that had to occur in the industry from the late 1980s right through the 1990s and up to the present time. Indeed, Dr Every conducted the steel review to see what parts of the company could in fact change its structure. Bob Every was aware of the quantum leaps forward with award changes and operating changes that had been made within the industry. He was aware of the dramatic reduction in the number of lost time injuries and the reduction in claims for workers compensation arising from work induced injuries. Indeed, the Whyalla steelworks have gone over 12 months without a lost time injury, which I suggest to you would be a record in such an industry in this country, if not in the world—something that the workers and the company working together with the unions can be very proud of.

What Dr Every also knew was that everything that had been achieved in those areas up to the point of divestment had been achieved by cooperation between the company and its workers, the workers led by the union movement. It was that cooperation—which seems to be opposed by the current government—that put the Australian steel industry in a position in which it could go through this massive change without total disruption to the workforce and to the communities. An industrial relations environment was created through cooperation, which stood the test of time and continues to this day to stand the test of time with the industry itself. That has been achieved through cooperation, not through the use of balaclavaed goons with guard dogs but by talking together and resolving disputes without continual battles and references to the industrial court and commission. It was achieved using goodwill and cooperation on the part of the workers, the company and the unions. OneSteel’s launch would never have occurred if it had not had the cooperation of the work force, and it certainly would not have occurred if the unions had not taken a major role in creating a climate where the change was made without disruption to the company’s operations.

Steelworkers throughout the country were faced with many hard decisions, related to the structural change that they would need to go through, structural change to the man-
agement that they would be dealing with and change in direction of the business itself. The workers also had to look at the ramifications of the spin-out and the effect that would have on the most basic of workers’ interests, their accrued entitlements and the security of their superannuation. I think it only right that I pay tribute to the OneSteel work force for the maturity that they displayed in working through the very complex issues that confronted them during this difficult period. There was a lot of uncertainty about the effects of the change, about the timing and about the impact on the communities that relied on the industry. Much of the uncertainty was fuelled by the lack of information coming from senior management of BHP. They were getting half-truths and threats of less than secure future employment in the industry from middle management, who had no information at all to base their half-truths and threats upon. But with the help of the union movement and the cooperation with senior management, the workers rose above the difficulties in the same way they rose above adversity in the early 1980s when the steel industry was under threat until the Hawke Labor government stepped in with the Steel Plan and they rose above adversity during the massive changes that came about through the job and award restructuring processes.

Today, some six months on, OneSteel is a viable and efficient steel maker. It has hundreds of sites across Australia, New Zealand and Canada and is Australia’s largest distributor of structural steel, rail, rod and wire, and tube and pipeline steel products. Whilst I remain optimistic about OneSteel’s future and continue to be of the belief that it is better for the industry than BHP—for no other reason than it actually wants to make steel—the company has many challenges ahead of it. The biggest of these challenges is to have a stable domestic market. In the first report from Dr Bob Every to shareholders, he said:

Following on from a strong period of growth in the construction and building sectors in the second half of last financial year influenced by the introduction of the GST and the Olympics, there was a dramatic decrease in demand in the first half of this year leading to a high level of uncertainty.

The difficult market conditions are expected to continue over the second six months of the year with demand subdued.

On the other hand, OneSteel secured a nominal $65 million contract to supply Queensland Rail with rail over three years. This is a particularly competitive market and one which demonstrates the internationally competitive nature of OneSteel as a new company. Given those things, it was disappointing to hear the comments made by the minister. (Time expired)

Human Cloning

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (10.00 p.m.)—I rise tonight as the Democrats biotechnology and science spokesperson to comment on the somewhat vexed issue of human cloning, human reproductive cloning in particular. It is an issue that was raised in the Senate in the context of question time last week and had cursory debate in the chamber back in December last year when we debated the Gene Technology Bill 2000. It is something that this chamber has not necessarily grappled with. Certainly the lower house has, through a committee, had some debate on the issue; in fact, a committee report to be tabled shortly investigates this issue. But unlike parliaments across the world, including that of the United States, the chamber here has not discussed this issue in any great detail.

Cloning is no longer about whether it will be done but when it will be done. In recent weeks we have seen announcements from doctors—doctors in Italy, for example—who are willing to undertake this particular form of biotechnology, regardless of the risks or the ethical consequences involved. Unfortunately, cloning means different things to different people and it is time to start sorting out the boundaries of what our community...
deems acceptable—or unacceptable, as the case may be. If we start at one extreme, cloning a complete human seems to have been dismissed as unacceptable by all sectors of the population. I think there would be very little debate in this place as to whether or not such a form of human reproductive cloning were acceptable. I think most people would rule that out as being inappropriate—as indeed our government has done, although that has not necessarily been reflected in amendments in this chamber or in legislation dealing with the issue more specifically. Whether this is because creating a duplicate human is morally abhorrent or whether it is because only the rich and beautiful will have access to cloning are questions we still need to resolve.

But taking a step back from this, cloning in some of its guises promises to improve health and reduce suffering, which is good. Again, the details need to be sorted out, and that is why I lament the fact that we have not had a comprehensive debate in this place on this issue, particularly a debate to look at the social, ethical, health and other effects. Therapeutic cloning to withstand a high radiation environment from the proliferation of leaking nuclear power plants does not seem to be an acceptable therapy whereas replacing burn damaged skin to save lives and reduce suffering may well be acceptable. Perhaps the key factor in this whole debate is to recognise that Australian laws work by allowing anything except what is expressly not allowed. So you can walk on any grass in the park unless there is a sign saying: ‘Do not walk on the grass’. This means we get to choose only what we do not want. This also means we have to make active choices about what we do not want from cloning, otherwise we will get the full Monty as we have seen in Italy with the attempts by one doctor in particular to proceed along this path.

Within a decade we can expect embryos to be scanned for common genetic diseases; gene surgery for some of the most studied diseases, such as diabetes and possibly some cancers; designer drugs to treat individuals, in particular for psychological conditions; new treatments for strokes and heart disease; and early stage preventative health care tailored to our individual needs based on our unique genetic predisposition. Cloning has a role to play in each of these possible treatments, either as a therapy or as a diagnostic. Combined with genomics—genes—and proteonomics—proteins—these tools of medicine for the future are truly inspiring and, I admit, somewhat scary.

The paramount requirement from legislators in the immediate future will be to ensure the new cornucopia of genetic tools is used only for our benefit and not to unfairly discriminate. To address this most pressing concern—and it is one that we have become much more familiar with since July last year when the first cases of genetic discrimination were recorded in Australia—I introduced a private member’s bill back in March 1998, the Genetic Privacy and Non-discrimination Bill 1998, to get the debate going. That is more than two years ago now. At the time it was said to be ‘simplistic’, ‘futuristic’ and even ‘unnecessary’, and yet two years later we have recorded cases of genetic discrimination in Australia. We already knew back in 1998 that there were cases recorded in other parts of the world, in particular the United States. In fact, the government of the United States, in a number of its legislatures, ruled out genetic discrimination and actually introduced legislation to prevent discrimination on the basis of someone’s genetic material. It also introduced in some states legislation to ensure that people’s genetic material was kept private; that is, it could not be disclosed without their consent. I am pleased the government has recently, on a federal level, taken up this concern, although I am now worried that effective legislation may not be soon enough to stop some unfair discrimination taking place.

Cloning issues go well beyond the issue of discrimination. The economy will need to deal with the dramatically increased cost to public health of these technologies. We have seen the positions taking shape in the recent debacle over industry representation on the Pharmaceutical Benefits Advisory Committee. This is about making sure that taxpayers are not ripped off by paying overly high prices for therapy and diagnosis pharmaceuticals. The costs of cloning technology
promise to be high and will challenge the ability of our public health system to deliver affordable health care. We also need to establish who will have access to cloning technology. The commercialisation of science and research means the products of cloning will be sold to the markets at a price the global owners of the technology determine. With a global reach and the protection of patents these owners have considerable power.

I add that back in 1997 I prepared a private member’s bill that prohibited the patenting of genes and gene sequences so that this very situation could not occur. The ongoing litigation in developing countries about life saving access to low cost, patented AIDS drugs is just the beginning of a showdown between the wealthy developed nations and governments under siege in developing nations. We can expect to see clear lines between profits and human lives. This will need to be sorted out fairly and equitably. I do not know, though, that we will have those debates in this place either.

In the long term we will need to grapple with the growing idea that technology can actually improve humans. This has been tried before in the form of eugenics. This is a debate that certainly Senator Brian Harradine and I have had in this place—condemning it, as should be done. Despite its popularity in Australia early last century, it just highlighted another form of discrimination against the others, if you like. It was not acceptable then, and it is not acceptable now. I acknowledge this will be a difficult debate, but it can only be made more informed by starting now and deconstructing the prejudices.

I want the community to participate in working out what parts of cloning technology we do not want. I want the government to respond to community concern about the ‘science fiction turns real potential’ of all forms of biotechnology, including cloning specifically. This is no time for the corporatist conformity, loyalty and silence that we have come to expect from parliament. The only way to wrestle real equity from cloning technology is for the community to engage and to decide exactly what we do not want. I acknowledge that these are not simple issues and that they need to be argued through. Unfortunately, recent attempts by the federal government to regulate gene technology just add to my concerns that cloning technology will follow the usual path—vested elite interests and the driving power of large multinational corporations putting short-term dollars and profits ahead of human lives and suffering.

I hope that, at some point in the parliament, we will be debating the ethical, the health, the social, the political, and perhaps even the religious issues associated with these technologies. I know it has been many years since the Democrats first called for human reproductive cloning to be outlawed and—apart from paltry amendments introduced at the last minute by the government in response to Senator Brian Harradine’s entry into the debate during the Gene Technology Bill 2000 last year—we have had no comprehensive debate. So, once again, I urge the parliament to proceed along these lines—whether it is through a committee debate, a Senate select committee investigating biotechnology or a comprehensive debate in response to the House of Representatives report on this very matter. I hope that we will not only investigate the potential dazzling benefits of this technology but look at some of the adverse consequences, whether they are issues to do with patenting, discrimination or privacy. I commend again to the chamber my private member’s bill on this issue, which is intended not as the answer but as the beginning in a debate that should have taken place a long time ago. (Time expired)

Economy: Surveys

Senator O’BRIEN (Tasmania) (10.10 p.m.)—It is difficult to know what is required to get the Prime Minister and the Treasurer to stop claiming that the Australian economy is fit and well, despite the avalanche of economic data to the contrary. It appears even more difficult to get the Prime Minister and the Treasurer to focus their efforts on getting the economy out of trouble. Despite a sobering report in today’s Australian Financial Review about the findings of a survey of 20 leading market economists and even more sobering findings from the most recent sur-
vey of market conditions by the Australian Chamber of Commerce and Industry, Mr Howard was up in question time again today telling Australians just how solid the Australian economy is.

Again he launched another attack on the Labor Party, claiming that the Labor Party were talking down the economy — and I addressed that issue in this chamber recently. It is fair to say that he again chose to ignore the reality of what is looking like — and increasingly so — a full-blown recession. One must assume that the Prime Minister missed the story on the front page of the Financial Review. If the Prime Minister had picked up that paper, he would have been confronted by the page 1 headline which read ‘GST blamed for slowdown’. But perhaps he is a bit sick of front page headlines — after all, last week he suggested that the Labor Party had written the front page headlines in the Daily Telegraph. One has to recall that the Telegraph was once the Prime Minister’s preferred paper.

As I said, this story was based on the results of a survey of leading market economists. The paper reported that the overwhelming majority of those economists identified the implementation of the GST as the most important factor contributing to the slowdown in the economy late last year. The survey also found that economic growth is expected to slow dramatically this year. Economists have forecast a rate of growth in the economy for the year ending June of only one per cent and an unemployment rate of nearly 7.5 per cent by December.

While the Reserve Bank is expected to cut official interest rates further tomorrow, the government’s economic mismanagement has created a real policy bind. While the Reserve Bank continues to drive down official interest rates in an attempt to stop the economic rot, those declining interest rates are increasingly putting downward pressure on the value of the Australian dollar. I note that today the Australian dollar had reached down as far as US$48.49c.

Senator O’BRIEN — It has been suggested that that is good for the farmers but, as I said in a contribution in this chamber last week, the statistics are showing us that the purported growth in exports is just not occurring. Theoretically, it may be good for the farmers, but the growth in exports is not happening. The attempt by the Prime Minister to talk up the economy might have also been somewhat tempered if he had read the most recent survey of the economy by the Australian Chamber of Commerce and Industry. The results of that survey indicate sustained weakness in the performance of the economy, with business conditions and confidence continuing to fall. The report of the survey results stated:

The results should make it clear that a complacent attitude to Australia’s economic condition is unwarranted.

I say again:

... a complacent attitude to Australia’s economic condition is unwarranted.

The criticism can be fairly levelled at both Mr Howard and his Treasurer, Mr Costello, whose complacent attitude is compounding the pessimism that is now pervading the economy. It could be argued that the failure of the government to even acknowledge how tough things are for the small business sector in particular, let alone do something to fix up the problem, has shattered business confidence.

The ACCI survey also asked respondents to identify the top 10 constraints on investment. In this latest survey, the number one problem was business taxes and government charges. And right up there at No. 5 was federal government regulations. So much for the Howard government’s five-year-old election commitment to cut red tape for small business by 50 per cent. Red tape, as we all know, has actually been spun even further around small business, with more than two million businesses now becoming tax collectors, with all the constraints and requirements that that onerous task places on business. So I say: so much for the Howard government’s commitment to reducing red tape for small business by 50 per cent and so much for Mr Howard’s claim that he was making it easier for the small business sector
to do business. Mr Howard’s policies have in fact failed to achieve that; they have achieved the very opposite outcome—a point recently conceded by the Minister for Small Business, Mr Macfarlane.

There is a further political dimension to the collapsing Australian economy and it relates to the bush. Since being elected in 1996, the government has attempted to exploit a growing economy—the economy handed to it by the outgoing Labor government, I might add—by arguing that everyone was a winner. Despite good headline numbers on growth, there were many losers, and most of them lived outside Melbourne and Sydney. While people in regional Australia were doing it tough, Mr Howard and Mr Costello were telling them that they had never had it so good. Of course, Mr Anderson, the Deputy Prime Minister—who knew better—had a different line. He told people living outside the major centres that they just had to learn to do more with less.

We are now starting to see the full impact of Mr Howard’s prime ministership. In just a few years Mr Howard has achieved the worst possible policy mix for people living outside the major cities. He has combined a set of policies that has seen the benefits of economic growth skewed to the big end of town with the aggressive implementation of competition policy that has progressively driven services out of regional centres. And now, with worse than zero economic growth, even some of the people at the big end of town are feeling the pain. But, unfortunately, those people will be addressing the increasing Howard government induced pressure on their businesses by sacking their employees. That point was well made in the Australian Chamber of Commerce and Industry survey, where wage costs and non-wage labour costs are identified as only the second and third major constraints on business investment, behind taxes and government charges.

The short-term future for the economy is dependent on the complacent attitude of both Mr Howard and Mr Costello being replaced by one of aggressive policy action. But this year I do not think that anyone in the community has a view other than that they are not holding their breath.

Road Safety: Motorcycle Safety Funding

Senator BARTLETT (Queensland) (10.19 p.m.)—I rise to speak tonight on the important issue of road safety and, specifically, motorcycle safety funding. I was pleased see in the latest edition of the local government road safety program that local government has decided to focus on tackling the important issue of motorcycle safety. According to the Australian Transport Safety Bureau, the number of fatalities involving motorcycles is up 14.7 per cent on the figure for last year. In the period from March 2000 to February 2001, 187 people were killed on motorbikes. The percentage increase actually translates to 24 individual human lives in Australia.

The Commonwealth government contributed a paltry $77,000 or so towards motorcycle campaigns last year—nowhere near enough when you consider that the average cost of a single motorcycle accident is around $73,000, most of which impacts on the hospital system, which is already overstretched, as all senators would be aware. With increasing fuel prices and traffic jams in our major cities, the popularity of motorcycles is on the increase. Sales figures of new motorcycles are at well over 3,000 per month. This is a trend that is set to continue and is therefore one that governments at all levels—not just local government—need to be aware of.

The Democrats have previously called on the Commonwealth government to commit $1 million—a small figure in the scheme of things—for motorcycle safety and awareness campaigns. If that amount of money was spent, I believe it would be returned many times over in savings in the public health system in particular, as well as in other areas such as insurance premiums and insurance payouts. It is not a lot of money when the cost to the community of motorcycle accidents is taken into account. There are two main bodies that represent motorcycles in Australia. It is the strong belief of the Australian Democrats that the motorcycling community is best placed to be involved in developing safety and awareness campaigns and strategies.
I speak on this issue not as someone who is a regular rider of motorbikes. I had the opportunity to sit on the back of a Harley-Davidson a few months ago at a demonstration and celebration outside Parliament House in Canberra. That was an experience for me, not just in sitting on the back of a motorcycle alongside Senator Boswell for a short period of time, but also in being made aware of the views of many motorcyclists about important issues relating to road safety and about other issues that are very much in the forefront of the minds of people involved in riding motorbikes, whether professionally, for sport, for pleasure occasionally, or regularly as their main means of transportation. There were more than 30,000 motorcyclists at that recent celebration ride to Parliament House. They would certainly like to see the Commonwealth dedicate further funds particularly to two main areas: for print and electronic advertising and a small amount for funding of a secretariat that would work with representatives of groups such as the Motorcycle Federation of Australia and the motorcycle councils in each state. Then they could develop much more effective safety messages that would communicate clearly to motorcyclists, and be specifically targeted at the motoring community more generally and their need to be more aware of the special role that motorcyclists play on our roads.

I read in the Local Government Road Safety program that three northern Sydney councils are implementing a multifaceted program in an effort to reduce the number of motorcyclists killed or injured in road accidents. These local governments of North Sydney, Willoughby and Ku-ring-gai are to be congratulated, and I think that other local governments—and, indeed, state and commonwealth governments—should take a leaf out of their book, promoting risk management courses for local motorcyclists and awareness raising for motorists.

The program includes identification and scheduling of engineering works to reduce roadside hazards as well as development and distribution of a brochure promoting the use of helmets and protective clothing. It has the support of the RTA, local motorcycle retailers and the Motorcycle Council of New South Wales. Since the Celebration Ride at Parliament House, I have been made aware of some of the simple things that can be done to reduce the risk to motorcyclists on our roads. In particular, if you look at some of the work local councils do, they could reduce the gravel on roadworks as gravel obviously increases the slipperiness of the road. I have seen a few clear examples in my own home town of Brisbane of significant roadworks that have been put together around the new northern Inner City Bypass through the Normanby Fiveways and other roadworks near the Queensland Newspapers office, where large, single steel plates have been put across the road. If they are wet or if they have oil spilled on them, these plates are incredibly slippery for motorcyclists and, in the case of the Normanby Fiveways, they are right at a stop zone as well. Things like that significantly increase the danger for motorcyclists in very busy road areas and, with a little bit more planning on the part of engineers, a different approach can be taken.

The Motorcycle Council has also noted that motorcyclists are over-represented in accident statistics and is very supportive of any local and state government initiatives that contribute to increasing the safety of motorcyclists. Issues for motorcyclists include concerns that motorists frequently fail to notice motorcyclists and the need for motorcyclists to adopt strategies to make themselves safer. This is a two-way process. It is important to understand that protective clothing worn by motorcyclists can prevent or reduce injuries in a crash. In the northern Sydney program, strategies addressing motorcyclists and the environment are complemented by a media campaign encouraging motorists to be aware of the role motorcyclists play in the traffic mix.

In addition to support for local government activities, the Motorcycle Council of New South Wales road safety initiatives include the commissioning of a report, which was released less than a month ago, regarding motorcycle collisions with crash barriers, and there is further planned research regarding factors contributing to drink riding. The research will also investigate how motorcyclists most effectively receive safety mes-
sages. There are many other resources available which I would urge anyone interested in this issue, including fellow senators, to read and help distribute. These include brochures relating to making motorcycling safe and a Ride-On video and brochure available from the Australian Transport Safety Bureau. These free brochures and the video are available at a nominal cost, and they would make a major contribution. There is also the ‘Don’t hit the road without full protective clothing’ brochure and the ‘Bitumen surfing: a survival guide’ poster from the Traffic Accident Commission. More information about the northern Sydney motorcycle safety program is available through the Willoughby Council, and the various motorcycle councils can also provide information to people about some of these measures.

Recognition of the valuable work undertaken by groups such as the Motorcycle Council and the Motorcycle Federation is long overdue. These are voluntary organisations which struggle by with the support of member groups and they play a key role in promoting safety in these areas. They are involved in consultation groups on an occasional basis with the federal government, and that is to be welcomed, but I think a minimal amount of money provided in resourcing these groups so that they can more effectively contribute year round to the debate— not just at the government level but also by getting the message out into the community—would be a small amount of money well spent that would bear significant dividends for the entire community and for the taxpayer.

When you consider that the cost of each motorcycle accident is over $73,000, spending the equivalent of $3.30 on each registered motorcycle for a motorcycle awareness campaign would be a sound investment, and the Democrats challenge the government and the opposition to commit this funding. It is a small amount of money which would be a sound investment and would bear significant dividends. As a person who is not regularly involved in motorcycling, I was certainly made much more aware of some of the many, varied and important issues that this part of our community needs to tackle and engage with every day. Given the benefits that can be gained by the community as a whole from ensuring safety on our roads for all the people who use them, I think more attention to these issues would be particularly valuable. For many years the Democrats have promoted the important value of cycling as a mode of transportation. Motorcycling is one other which, while obviously more polluting, is less polluting than the motor vehicle. Motorcycles certainly reduce some of the problems in terms of parking, et cetera, and traffic and road congestion in our cities. They are part of our transport mix and their specific needs, and the need for all valid road users to be kept safe as much as possible, are things that we all need to direct more attention to.

Grey Headed Flying Fox Colony: Melbourne Botanic Gardens

Senator ALLISON (Victoria) (10.28 p.m.)—Senators will be aware of the situation in the Botanic Gardens in Melbourne. There is a proposal to go ahead with what is probably the most senseless killing of native animals yet seen in our city. I have raised this matter previously in the Senate but the controversy has now reached a very critical stage. A thousand flying foxes are to be killed and nobody is able to say how this will protect the gardens. The Victorian Minister for the Environment has rejected the advice of her scientific advisory committee to list the grey headed flying fox as threatened under the Flora and Fauna Guarantee Act 1988. This is the first time in the history of that act that the minister has rejected the advice of their scientific advisory committee. No reason was given—either scientific or political. Minister Garbutt did say in her press release on 9 March that, because this flying fox is a highly migratory species with a distribution up the east coast of Australia, it is more prudent to examine its vulnerability from a national perspective rather than just a Victorian one. This is, of course, nonsense because the Victorian legislation is concerned with the status of only the species occurring within the state borders. In any case, the New South Wales scientific committee has already made a preliminary decision to list the species as vulnerable under its
legislation. She went on to say in this press release:

If the Commonwealth find the flying fox is threatened in Australia, a national conservation strategy can be implemented, at which stage I would be happy to receive a further recommendation from the Victorian Scientific Advisory Committee.

I suppose we can be grateful, at least, that the minister has passed the buck to some degree to the Commonwealth minister and that, so far at least, no flying foxes have been killed. The matter has been referred to the federal minister for the environment, under the EPBC Act—which I note at this point could not have happened with the previous legislation—and the minister said last week in answer to a question of mine that he is awaiting advice from his scientific committee. I note that he has 90 days after receiving that advice to make a decision.

Since I put up my motion late last week—and which will come to the vote tomorrow, hopefully—I have been contacted by dozens of scientists around Australia urging that these animals be protected. I hope that they have passed those messages on to other senators, too. I had a message from a graduate student from the University of Tennessee who has been studying the grey headed flying foxes in the Sydney Royal Botanical Gardens since the beginning of the year. She came out from America just to study them. She says:

Ms Garbutt’s decision not to award threatened status due to the fact that the bats are migratory is ludicrous—the fact that they are migratory means that as soon as the bats in the Melbourne Gardens are dead and gone, it is almost guaranteed that more bats will migrate to that area in search of good habitat and will face the same fate as the previous bats, forming an endless black hole of bat deaths.

The fact that 40% of the bats recently migrated elsewhere is proof positive that these bats are highly mobile animals. Killing them will not solve any problems ... And the fact that nearly 8,000 of the bats have left means that the Gardens has even less of an excuse to cull any bats at all.

It seems that only three scientists in Australia disagree that more protection is needed and, suspiciously, two of them are the very biologists hired by the Melbourne gardens to cull the bats ... And even these scientists agree that culling the bats will not solve the problem.

She says:

I also find it hard to understand why the Melbourne Gardens administration is so intent on exterminating the bats rather than attempting to find a way to manage them. In the Sydney gardens the bats are a big tourist draw.

I have been in the Sydney Gardens almost every day for several hours each day since early January and I have a lot of opportunity to observe visitors’ reactions to the bats as well as talk to them about the bats. While I do occasionally hear negative comments, these usually come from elderly Aussies who still carry old prejudices.

A vast majority of the people I overhear or interact with—both Australians and foreign visitors—are fascinated and amazed by the bats. They take lots of pictures and walk around craning their necks to get a good view. Foreigners are particularly interested in them since many of these tourists are from America and Europe where such large bats roosting in trees do not exist on those continents.

She points out that the Sydney gardens have intelligently recognised that the best way to handle the problems caused by the bats is through better management and not by killing them. Gardens staff there say culling bats would go against the very idea that they have set out to demonstrate by establishing the gardens: conservation of the environment. Flying foxes are part of the Australian environment. They are vital to a healthy Australian ecosystem. The more habitat that is lost due to land clearing, the more common it will be for the bats to take refuge in urban areas.

The Terania Native Forest Action Group also wrote to me to say that there is now ample evidence that this species is declining in numbers and is likely to continue to do so, due mainly to habitat loss and deliberate extermination. They point out that the grey headed flying fox is a critically important pollinator and a fruit disperser of forest trees. Its extinction could have drastic effects on the ecology of the entire east coast of Australia. They have asked Minister Hill to not let anti-bat hysteria cloud his judgment on this issue.

I was also sent a copy of two scientific papers dealing with the population dynamics
of Australian flying foxes. One of these, from the University of Queensland and James Cook University at Townsville, points out that flying fox populations have a very low capacity for increase, even under the most ideal conditions. That study concludes that the current death rates of flying foxes in New South Wales and Queensland fruit orchards are putting state populations at serious risk. They point out that flying foxes are very important to the health and maintenance of Australian ecosystems, providing services of pollination and seed dispersal for hundreds of species of native plants. The conclusion of the paper is that this species of flying fox has declined substantially over the past two decades.

At six months, these bats have the longest gestation period of any group of placental mammals relative to their size. The female in captivity does not reach full sexual maturity until they are midway through their third year of life. They are not capable of delivering a viable full-term young before they are three, and they bear only one young each year. The study was done because of the proposal to cull the botanic gardens’ flying foxes. The report says that the proponents of the culling had little or no understanding of the reproductive potential of flying foxes.

The report criticised the botanical gardens for claiming that the population had increased from 3,000 to 8,000 in 18 months, implying that this was due to reproductive increase alone. Other cull proponents, the fruit growers in New South Wales and Queensland, often refer to a similar population explosion, implying that flying foxes are opportunistic breeders capable of increasing in plague proportions within a short period of time. This report shows that this is not the case. In fact, flying foxes have a very low natural capacity to increase.

Last Tuesday, the director of the gardens, Mr Phillip Moors, announced that they were proceeding with the mass killing of 1,000 grey headed flying foxes in the Botanic Gardens in Melbourne and that it would include shooting, not just lethal injection and gassing as previously expected. The permit issued by the Department of Natural Resources and Environment in March last year required them to capture the flying foxes in harp traps, by hand or using tranquilliser darts and then to euthanase them. It was something of a surprise when, at court, the Botanic Gardens produced a new, so-called scientific permit, issued in secret on 23 March this year, which specifically allows them to destroy the flying foxes by shooting. Not only is this unnecessary, ill advised and potentially threatening action against these very special creatures; it is also now not going to be a humane process.

Victorians do not know when the kill is going to take place, but presumably it will not be in full view of the public during the day. If it is done at night, there will be no guarantee of an accurate shot or instant death for every animal. I am told that flying foxes cling to trees when killed or injured, as a reflex action, and do not fall to the ground. It is hard to imagine those shooters climbing up trees to rescue injured animals. It is hard to imagine that we would treat any wildlife this way, let alone a species which is endangered. I strongly urge the Minister for the Environment and Heritage at the federal level to take this issue very seriously and to determine that this is an endangered species.

Senate adjourned at 10.38 p.m.

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

Aged Care Act—
Allocation Amendment Principles 2001 (No. 1).
Records Amendment Principles 2001 (No. 1).
Crimes Act—Regulations—Statutory Rules 2001 No. 49.
Education Services for Overseas Students Act—National Code of Practice for Regis
Taxation Determination TD 2001/3.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Prime Minister and Cabinet Portfolio: Contracts to Deloitte Touche Tohmatsu**

(Question No. 3252)

Senator Robert Ray asked the Minister representing the Prime Minister, upon notice, on 24 January 2001:

1. What contracts has the department or any agency of the department provided to the firm Deloitte Touche Tohmatsu in the 1999-2000 financial year.
2. In each instance what was the purpose of the work undertaken by Deloitte Touche Tohmatsu.
3. In each instance what has been the cost to the department of the contract.
4. In each instance what selection process was used to select Deloitte Touche Tohmatsu (open tender, short-list or some other process).

Senator Hill—The Prime Minister has provided the following answer to the honourable senator’s question:

I am advised by my department as follows:

**The Department of the Prime Minister and Cabinet**

1. Contract for service.
2. Provide internal audit and fraud control services.
3. $150,196
4. Extension of existing contract.

**Office of the Inspector-General of Intelligence and Security**

2. Assistance with the preparation of financial statements.
3. $5,500
4. Established business relationship.

**Aboriginal and Torres Strait Islander Commission**

2. Develop business plans for Business Development Programme (BDP) clients and determine their commercial viability.
3. $75,000

3(a) $71,952
4. Sole quotation sought.

**Australian National Audit Office**

1. Contract for service.
2. IT audit assistance.
(c) Financial statement audit assistance.
(d) Risk management assistance.
(e) Audit assistance.
(f) Audit assistance.

(3)(a) $425,000
(b) $30,900
(c) $29,500
(d) $15,000
(e) $14,000
(f) $418,220

(4)(a) Publicly advertised.
(b) Extension of existing contract.
(c) Selective tender.
(d) Selected companies were approached to provide a selection of suitable people for interview.
(e) Letters written to 60 firms requesting staff with accounting skills for contracting-in during peak financial statement audit cycle.
(f) Selective tender.

For the portfolio agencies listed below, there were no contracts let to Deloitte Touche Tohmatsu:

• Office of the Official Secretary to the Governor-General
• Office of National Assessments
• Public Service and Merit Protection Commission
• Office of the Commonwealth Ombudsman

Prime Minister and Cabinet Portfolio: Contracts to KPMG
(Question No. 3269)

Senator Robert Ray asked the Minister representing the Prime Minister, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm KPMG in the 1999-2000 financial year.
(2) In each instance what was the purpose of the work undertaken by KPMG
(3) In each instance what has been the cost to the department of the contract.
(4) In each instance what selection process was used to select KPMG (open tender, short-list or some other process).

Senator Hill—The Prime Minister has provided the following answer to the honourable senator’s question:

I am advised by my department as follows:

The Department of the Prime Minister and Cabinet

(1)(a) Contract for consultancy.
(b) Contract for consultancy.

(2)(a) Design and test a range of information resources on domestic violence for women with disabilities.
(b) Assist and advise in market testing banking arrangements.

(3)(a) $155,461
(b) $48,100 (Total cost - shared by all portfolio agencies except ATSIC)

(4)(a) Open tender.
(b) Select tender.
Aboriginal and Torres Strait Islander Commission
(1)(a) Contract for consultancy.
(b) Contract for consultancy.
(c) Contract for service.
(d) Contract for consultancy.
(e) Contract for consultancy.
(f) Contract for service.
(g) Contract for service.
(2)(a) Consultancy service on the implications of the GST and FBT for ATSIC’s role as a funding body.
(b) Assist with assessment of applications for recognition as a representative body under Native Title Act 1993 – variation of existing contract.
(c) Conduct a complete interim audit and restructure of the accounting records of Jumbun Ltd to 30/04/00.
(d) Assist with assessment of applications for recognition as a representative body under Native Title Act 1993.
(e) Assist with assessment of applications for recognition as a representative body under Native Title Act 1993.
(f) Conduct a major review of Yugul Mangi Community Government Council.
(g) Deliver GST Start Up business skills workshops to Small and Medium Enterprises, Community and Education sector organisations in indigenous community in South Australia.
(3)(a) $131,700
(b) $217,800
(c) $8,000
(d) $75,000
(e) $53,460
(f) $13,800
(g) $25,000
(4)(a) Advertised publicly.
(b) Under Commonwealth contract/ Memorandum of Understanding.
(c) Select tender.
(d) Select tender.
(e) Select tender.
(f) Select tender.
(g) Select tender.

Australian National Audit Office
(1)(a) Contract for service.
(b) Contract for service.
(2)(a) GST implementation assistance.
(b) Audit assistance.
(3)(a) $13,000
(b) $214,600
(4)(a) Direct approach.
(b) Publicly advertised.

For the portfolio agencies listed below, there were no contracts let to KPMG:
• Office of the Official Secretary to the Governor-General
Veterans’ Affairs Portfolio: Contracts to KPMG
(Question No. 3285)

Senator Robert Ray asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm KPMG in the 1999-2000 financial year.
(2) In each instance what was the purpose of the work undertaken by KPMG.
(3) In each instance what has been the cost to the department of the contract.
(4) In each instance what selection process was used to select KPMG (open tender, short-list or some other process).

Senator Minchin—The Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

(1) Two contracts were entered into with KPMG in 1999/2000.
(2) The purpose of these two contracts were to provide assistance with the preparation of:
   (a) a budgeting manual; and
   (b) end of year financial statements for 1999/2000.
(3) The cost to the department of each contract was:
   (a) $19,760; and
   (b) no payments were actually made in 1999-2000 but $60,000 has been paid in 2000/2001.
(4) In both cases an earlier contract was extended.

Prime Minister and Cabinet Portfolio: Contracts to PricewaterhouseCoopers
(Question No. 3286)

Senator Robert Ray asked the Minister representing the Prime Minister, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm PricewaterhouseCoopers in the 1999-2000 financial year.
(2) In each instance what was the purpose of the work undertaken by PricewaterhouseCoopers.
(3) In each instance what has been the cost to the department of the contract.
(4) In each instance what selection process was used to select PricewaterhouseCoopers (open tender, short-list or some other process).

Senator Hill—The Prime Minister has provided the following answer to the honourable senator’s question:

I am advised by my department as follows:

Aboriginal and Torres Strait Islander Commission
(1) Contract for service.
(2) Section 60 examination of Lockhart Women’s Aboriginal Corporation.
(3) $7,400
(4) Select tender.

Australian National Audit Office
(1)(a) Contract for service.
   (b) Contract for service.
   (c) Contract for service.
(2)(a) Joint venture review.
   (b) Audit assistance.
   (c) Human Resource Management Information System support.

(3)(a) $7,700
   (b) $40,000
   (c) $15,600

(4)(a) Publicly advertised.
   (b) Publicly advertised.
   (c) Letters written to 60 firms requesting staff with accounting skills for contracting-in during peak financial statement audit cycle.

For the portfolio agencies listed below, there were no contracts let to PricewaterhouseCoopers:
   • The Department of the Prime Minister and Cabinet
   • Office of the Inspector-General of Intelligence and Security
   • Office of the Official Secretary to the Governor-General
   • Office of National Assessments
   • Office of the Commonwealth Ombudsman
   • Public Service and Merit Protection Commission

Veterans’ Affairs Portfolio: Contracts to PricewaterhouseCoopers
(Question No. 3302)

Senator Robert Ray asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm PricewaterhouseCoopers in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by PricewaterhouseCoopers.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select PricewaterhouseCoopers (open tender, short-list or some other process).

Senator Minchin—The Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

(1) One contract was entered into with PricewaterhouseCoopers in 1999-2000.

(2) To review existing IT Security Policy and other current IT Security documentation and departmental policies; develop a risk assessment matrix of the internal business requirements and relevant external IT threats to the environment; develop a detailed IT Security Policy document report for presentation to the IT Security Committee.

(3) $74,527.

(4) PricewaterhouseCoopers was selected through a short-listing process involving five firms.

Prime Minister and Cabinet Portfolio: Contracts to Ernst & Young
(Question No. 3303)

Senator Robert Ray asked the Minister representing the Prime Minister, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm Ernst & Young in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by Ernst & Young.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select Ernst & Young (open tender, short-list or some other process).
Senator Hill—The Prime Minister has provided the following answer to the honourable senator’s question:

I am advised by my department as follows:

Office of the Official Secretary to the Governor-General

2. Assistance with the preparation of documentation for the Performance Development Scheme.
3. $4,880
4. Selection from Department of Finance and Administration, Competitive Tendering and Contracting Panel.

Aboriginal and Torres Strait Islander Commission

1. (a) Contract for service.
2. (a) Extend Fringe Benefits Tax (FBT) Package to include employee details to comply with the Fringe Benefits Reporting Act 1997 and formulate the Commission’s policy on fringe benefits.
   (b) Lodge of ATSIC’s 2000 FBT return and ensure the Commission complies with the Fringe Benefits Reporting Act 1997.
   (c) Assist with the 99/00 FBT lodgement.
   (d) Provide GST training to grant funded organisations, community stores and enterprises.
3. (a) $43,230
4. (a) Under Commonwealth contract/Memorandum of Understanding.

Australian National Audit Office

1. (a) Contract for service.
2. (a) Audit assistance.
3. (a) $3,286,800
4. (a) Publicly advertised.

For the portfolio agencies listed below, there were no contracts let to Ernst & Young:
The Department of the Prime Minister and Cabinet  
Office of the Commonwealth Ombudsman  
Public Service and Merit Protection Commission  
Office of National Assessments  
Office of the Inspector-General of Intelligence and Security.

Veterans’ Affairs Portfolio: Contracts to Ernst & Young  
(Question No. 3319)

**Senator Robert Ray** asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 24 January 2001:

1. What contracts has the department or any agency of the department provided to the firm Ernst & Young in the 1999-2000 financial year.
2. In each instance what was the purpose of the work undertaken by Ernst & Young.
3. In each instance what has been the cost to the department of the contract.
4. In each instance what selection process was used to select Ernst & Young (open tender, short-list or some other process).

**Senator Minchin**—The Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

1. Six contracts were entered into with Ernst & Young in 1999-2000 as per the following table, which also addresses questions 2, 3 and 4.

<table>
<thead>
<tr>
<th>Purpose of the work undertaken</th>
<th>Cost to Dept</th>
<th>Selection Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Audit Services</td>
<td>$386,900.00</td>
<td>Existing contract established in 1996</td>
</tr>
<tr>
<td>Strategic Review Services</td>
<td>$591,000.00</td>
<td>Staged tendering process*</td>
</tr>
<tr>
<td>Project Director for upgrade of FMIS</td>
<td>$41,991.00</td>
<td>Existing contract**</td>
</tr>
<tr>
<td>PAHRIS upgrade</td>
<td>$32,240.00.</td>
<td>Existing contract**</td>
</tr>
<tr>
<td>Implementation of Agency Banking and Cash Management</td>
<td>$37,207.44</td>
<td>Restricted tender</td>
</tr>
<tr>
<td>Post Implementation Review – Agency Banking and Cash Management</td>
<td>$63,628.62</td>
<td>Restricted tender</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$1,152,967.06</td>
<td></td>
</tr>
</tbody>
</table>

* Staged tendering process:  
  • an approach was made to the market, seeking expressions of interest  
  • the responses were evaluated  
  • an invitation to tender was issued to the three most highly rated firms  
  • two tenders were received and a final decision was then made  

**Services provided under the existing IT Audit Services contract, established in 1996.

Prime Minister and Cabinet Portfolio: Contracts to Arthur Andersen  
(Question No. 3320)

**Senator Robert Ray** asked the Minister representing the Prime Minister, upon notice, on 24 January 2001:

1. What contracts has the department or any agency of the department provided to the firm Arthur Andersen in the 1999-2000 financial year.
2. In each instance what was the purpose of the work undertaken by Arthur Andersen.
3. In each instance what has been the cost to the department of the contract.
(4) In each instance what selection process was used to select Arthur Andersen (open tender, short-list or some other process).

Senator Hill—The Prime Minister has provided the following answer to the honourable senator’s question:

I am advised by my department as follows:

Australian National Audit Office
(1) (a) Contract for service.
(b) Contract for service.
(c) Contract for service.
(d) Contract for service.
(2) (a) Audit assistance.
(b) Audit assistance.
(c) Audit assistance.
(d) Audit assistance.
(3) (a) $624,059
(b) $48,400
(c) $8,000
(d) $1,007,864
(4) (a) Letters written to 60 firms requesting staff with accounting skills for contracting-in during peak financial statement audit cycle.
(b) Letters written to 60 firms requesting staff with accounting skills for contracting-in during peak financial statement audit cycle.
(c) Letters written to 60 firms requesting staff with accounting skills for contracting-in during peak financial statement audit cycle.

Selective tender.

For the portfolio agencies listed below, there were no contracts let to Arthur Andersen:

- The Department of the Prime Minister and Cabinet
- Aboriginal and Torres Strait Islander Commission
- Office of the Inspector-General of Intelligence and Security
- Office of the Official Secretary to the Governor-General
- Office of National Assessments
- Office of the Commonwealth Ombudsman
- Public Service and Merit Protection Commission.

Employment, Workplace Relations and Small Business Portfolio: Contracts to Arthur Andersen
(Question No. 3325)

Senator Robert Ray asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 25 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm Arthur Andersen in the 1999-2000 financial year.
(2) In each instance what was the purpose of the work undertaken by Arthur Andersen
(3) In each instance what has been the cost to the department of the contract.
(4) In each instance what selection process was used to select Arthur Andersen (open tender, short-list or some other process).

Senator Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:
None.

Department of Industry, Science and Resources: Legal Advice
(Question No. 3378)

Senator Robert Ray asked the Minister for Industry, Science and Resources, upon notice, on 29 January 2001:

(1) What has been the total cost to the Department in the 1999-2000 financial year of legal advice obtained from the Attorney-General’s Department?

(2) What has been the total cost to the Department in the 1999-2000 financial year of legal advice obtained from other sources?

Senator Minchin—The answers to the honourable senator’s questions are as follows:

(1) $ 2,235,819.15 for legal services (including legal advice).

(2) $ 1,813,765.70 for legal services (including legal advice).

Immigration and Multicultural Affairs Portfolio: Vehicle Fleet
(Question No. 3456)

Senator Allison asked the Minister representing the Minister for Immigration and Multicultural Affairs, upon notice, on 26 February 2001:

(1) How many cars does the department have in its fleet.

(2) (a) How many new cars will be purchased or leased in the 2000-01 financial year; and (b) can details be provided of the make, size and horsepower.

(3) (a) How many new cars were purchased or leased in the 1999-2000 financial year; and (b) can details be provided of the make, size and horsepower.

(4) How many cars in the fleet are fuelled by liquid petroleum gas (LPG), compressed natural gas (CNG) and petrol.

(5) Does the agency use its own LPG or CNG refuelling stations; if so, how many are there of these.

(6) Does the agency have a policy or strategy to reduce the fuel consumption of its car fleet; if so, can details be provided.

(7) What is the fuel efficiency rating of all cars in the fleet.

(8) How does the actual fuel consumption and mileage compare with that rating.

(9) Nationally, what operating savings would have been achieved for the 1999-2000 financial year if all cars in the fleet were run on: (a) LPG; and (b) CNG

Senator Ellison—The Minister for Immigration and Multicultural Affairs has provided the following answer to the honourable senator’s question:

(1) The Department had 139 vehicles in the fleet as at 31 January 2001.

(2) (a) It is estimated that the Department will lease 57 new vehicles in the 2000-2001 financial year. These are all replacement vehicles for that part of the fleet where the lease expires within the financial year.

   (b) The make, engine size and developed power outputs are as follows:

   20 Holden Acclaim’s at 3.8 litres and 152 KW Power
   1 Holden Berlina at 3.8 litres and 152 KW Power
   1 Holden Calais at 3.8 litres and 152 KW Power
   7 Toyota Camry Conquest’s at 3.0 litres and 94 KW Power
   3 Holden Commodore’s at 3.8 litres and 147 KW Power
   1 Ford Fairmont at 4.0 litres and 157 KW Power
   17 Ford Futura’s at 4.0 litres and 157 KW Power
   1 Toyota Landcruiser S/Wagon at 4.2 litres and 165 KW Power
   2 Mitsubishi Magna’s at 3.5 litres and 147 KW Power
   1 Toyota Tarago at 2.4 litres and 115 KW Power
(3) (a) The Department leased 57 new vehicles in the 1999-2000 financial year.
(b) The make, engine size and developed power outputs are as follows:

10 Holden Acclaim’s at 3.8 litres and 152 KW Power
8 Berlina’s at 3.8 litres and 152 KW Power
6 Toyota Camry Conquest’s at 3.0 litres and 94 KW Power
1 Toyota Camry CSX at 2.2 litres and 94 KW Power
4 Holden Commodore’s at 3.8 litres and 152 KW Power
1 Mitsubishi Express Van at 2.4 litres and 96 KW Power
1 Ford Fairmont at 4.0 litres and 157 KW Power
1 Ford Falcon at 4.0 litres and 157 KW Power
2 Futura’s at 4.0 litres and 157 KW Power
7 Magna Advance’s at 3.5 litres and 150 KW Power
3 Magna Executive’s at 3.0 litres and 140 KW Power
1 Magna Sports at 3.5 litres and 163 KW Power
3 Holden Vectra’s at 2.2 litres and 104 KW Power
5 Mitsubishi Verada’s at 3.5 litres and 150 KW Power
2 Toyota Vienta’s at 3.0 litres and 145 KW Power
2 Volkswagen Transporter Van’s at 2.5 litres and 81 KW Power

(4) The Department has 1 car fuelled by Liquid Petroleum Gas and no vehicles fuelled by Compressed Natural Gas.

(5) No.

(6) As part of its Environment Management Action Plan, the Department:
- encourages participation in driver training programs that includes economical and safe driving
- encourage use of alternate fuelled vehicles (LPG / CNG) at time of vehicle replacement by offering this as a no cost option for employees operating under Australian Workplace Agreements
- encourage drivers to maintain tyre pressures at manufacture’s recommended pressures

(7) The table below provides information on the fuel efficiency rating for all vehicles in the DIMA fleet. These figures are based primarily on the 1999-2000 financial year.

(8) Fuel efficiency data is set out in the table below. This reflects fuel consumption in the accepted L/100kms, which updates the previous mileage terminology.

(9) No operating savings for the 1999-2000 financial year would have been achieved if all cars in the fleet were run on LPG or CNG. This is because conversion costs would have more than offset energy savings.

<table>
<thead>
<tr>
<th>#</th>
<th>Rego</th>
<th>Description</th>
<th>Fuel Efficiency Rating L/100KM</th>
<th>Actual Fuel Consumption L/100KM</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>YAW70Z</td>
<td>Acclaim S/Wagon</td>
<td>12</td>
<td>11.1</td>
</tr>
<tr>
<td>2</td>
<td>WTZ206</td>
<td>Acclaim S/Wagon</td>
<td>12</td>
<td>*11.1</td>
</tr>
<tr>
<td>3</td>
<td>599407</td>
<td>Acclaim S/Wagon</td>
<td>12</td>
<td>*11.1</td>
</tr>
<tr>
<td>4</td>
<td>ZKK416</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>11.1</td>
</tr>
<tr>
<td>#</td>
<td>Rego</td>
<td>Description</td>
<td>Fuel Efficiency Rating L/100KM</td>
<td>Actual Fuel Consumption L/100KM</td>
</tr>
<tr>
<td>----</td>
<td>-----------</td>
<td>-----------------</td>
<td>-------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>5</td>
<td>557992</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>12</td>
</tr>
<tr>
<td>6</td>
<td>VHH447</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>10.1</td>
</tr>
<tr>
<td>7</td>
<td>VKC511</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>14.7</td>
</tr>
<tr>
<td>8</td>
<td>ZKL451</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>10.4</td>
</tr>
<tr>
<td>9</td>
<td>YAK73L</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>10.9</td>
</tr>
<tr>
<td>10</td>
<td>ZKK877</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>*11.9</td>
</tr>
<tr>
<td>11</td>
<td>YAM14C</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>*11.9</td>
</tr>
<tr>
<td>12</td>
<td>WDD893</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>10.6</td>
</tr>
<tr>
<td>13</td>
<td>143FEV</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>11.2</td>
</tr>
<tr>
<td>14</td>
<td>636FFK</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>11.3</td>
</tr>
<tr>
<td>15</td>
<td>661FJF</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>11.4</td>
</tr>
<tr>
<td>16</td>
<td>869FJB</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>18</td>
</tr>
<tr>
<td>17</td>
<td>1ATH279</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>*11.9</td>
</tr>
<tr>
<td>18</td>
<td>EG3723</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>*11.9</td>
</tr>
<tr>
<td>19</td>
<td>WRF212</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>*11.9</td>
</tr>
<tr>
<td>20</td>
<td>WZZ111</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>*11.9</td>
</tr>
<tr>
<td>21</td>
<td>QIN495</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>*11.9</td>
</tr>
<tr>
<td>22</td>
<td>QIN595</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>*11.9</td>
</tr>
<tr>
<td>23</td>
<td>GI504</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>*11.9</td>
</tr>
<tr>
<td>24</td>
<td>YBB26V</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>11.3</td>
</tr>
<tr>
<td>25</td>
<td>QJO732</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>*11.9</td>
</tr>
<tr>
<td>26</td>
<td>QJO733</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>*11.9</td>
</tr>
<tr>
<td>27</td>
<td>WVR539</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>*11.9</td>
</tr>
<tr>
<td>28</td>
<td>511FSN</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>*11.9</td>
</tr>
<tr>
<td>29</td>
<td>348FQC</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>*11.9</td>
</tr>
<tr>
<td>30</td>
<td>WXD796</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>*11.9</td>
</tr>
<tr>
<td>31</td>
<td>XAT159</td>
<td>Acclaim Sedan</td>
<td>11.5</td>
<td>*11.9</td>
</tr>
<tr>
<td>32</td>
<td>YBB38V</td>
<td>Berlina S/Wagon</td>
<td>12</td>
<td>*13.4</td>
</tr>
<tr>
<td>33</td>
<td>YAG72Z</td>
<td>Berlina Sedan</td>
<td>11.5</td>
<td>11.3</td>
</tr>
<tr>
<td>34</td>
<td>YAK63L</td>
<td>Berlina Sedan</td>
<td>11.5</td>
<td>*13.4</td>
</tr>
<tr>
<td>35</td>
<td>YAU88M</td>
<td>Berlina Sedan</td>
<td>11.5</td>
<td>10.6</td>
</tr>
<tr>
<td>36</td>
<td>224FKK</td>
<td>Berlina Sedan</td>
<td>11.5</td>
<td>14</td>
</tr>
<tr>
<td>37</td>
<td>YAW57Z</td>
<td>Berlina Sedan</td>
<td>11.5</td>
<td>14.8</td>
</tr>
<tr>
<td>38</td>
<td>YAY17C</td>
<td>Berlina Sedan</td>
<td>11.5</td>
<td>13.7</td>
</tr>
<tr>
<td>39</td>
<td>YBA34C</td>
<td>Berlina Sedan</td>
<td>11.5</td>
<td>*13.4</td>
</tr>
<tr>
<td>40</td>
<td>YBB30V</td>
<td>Berlina Sedan</td>
<td>11.5</td>
<td>16.1</td>
</tr>
<tr>
<td>41</td>
<td>OSI325</td>
<td>Calais Sedan</td>
<td>12.5</td>
<td>*9.2</td>
</tr>
<tr>
<td>#</td>
<td>Rego</td>
<td>Description</td>
<td>Fuel Efficiency Rating L/100KM</td>
<td>Actual Fuel Consumption L/100KM</td>
</tr>
<tr>
<td>----</td>
<td>--------</td>
<td>--------------------------</td>
<td>-------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>42</td>
<td>YAE42R</td>
<td>Calais Sedan</td>
<td>12.5</td>
<td>9.2</td>
</tr>
<tr>
<td>43</td>
<td>WIT738</td>
<td>Camry Conquest S/Wagon</td>
<td>11.5</td>
<td>15.1</td>
</tr>
<tr>
<td>44</td>
<td>ZKI267</td>
<td>Camry Conquest Sedan</td>
<td>11.5</td>
<td>8.1</td>
</tr>
<tr>
<td>45</td>
<td>1AOA419</td>
<td>Camry Conquest Sedan</td>
<td>11.5</td>
<td>9.9</td>
</tr>
<tr>
<td>46</td>
<td>YAU53M</td>
<td>Camry Conquest Sedan</td>
<td>11.5</td>
<td>11.8</td>
</tr>
<tr>
<td>47</td>
<td>WIT736</td>
<td>Camry Conquest Sedan</td>
<td>11.5</td>
<td>13.5</td>
</tr>
<tr>
<td>48</td>
<td>WIT739</td>
<td>Camry Conquest Sedan</td>
<td>11.5</td>
<td>14.4</td>
</tr>
<tr>
<td>49</td>
<td>QH927</td>
<td>Camry Conquest Sedan</td>
<td>11.5</td>
<td>*13.6</td>
</tr>
<tr>
<td>50</td>
<td>QHT841</td>
<td>Camry Conquest Sedan</td>
<td>11.5</td>
<td>*13.6</td>
</tr>
<tr>
<td>51</td>
<td>QHT842</td>
<td>Camry Conquest Sedan</td>
<td>11.5</td>
<td>*13.6</td>
</tr>
<tr>
<td>52</td>
<td>1AOO672</td>
<td>Camry Conquest Sedan</td>
<td>11.5</td>
<td>*13.6</td>
</tr>
<tr>
<td>53</td>
<td>WYJ918</td>
<td>Camry Conquest Sedan</td>
<td>11.5</td>
<td>*13.6</td>
</tr>
<tr>
<td>54</td>
<td>QMP688</td>
<td>Camry Conquest Sedan</td>
<td>11.5</td>
<td>*13.6</td>
</tr>
<tr>
<td>55</td>
<td>WNY227</td>
<td>Camry Conquest Sedan</td>
<td>11.5</td>
<td>12.1</td>
</tr>
<tr>
<td>56</td>
<td>YBA57C</td>
<td>Camry CSX Sedan</td>
<td>9.8</td>
<td>10.5</td>
</tr>
<tr>
<td>57</td>
<td>YAM11C</td>
<td>Commodore S Sedan</td>
<td>11.5</td>
<td>11.5</td>
</tr>
<tr>
<td>58</td>
<td>YAU92M</td>
<td>Commodore S Sedan</td>
<td>11.5</td>
<td>10.1</td>
</tr>
<tr>
<td>59</td>
<td>YBB72R</td>
<td>Commodore S Sedan</td>
<td>11.5</td>
<td>*10.1</td>
</tr>
<tr>
<td>60</td>
<td>1ANK999</td>
<td>Commodore S/Wgn</td>
<td>12</td>
<td>13.6</td>
</tr>
<tr>
<td>61</td>
<td>1AM756</td>
<td>Commodore Sedan</td>
<td>11.5</td>
<td>11.6</td>
</tr>
<tr>
<td>62</td>
<td>1ANB460</td>
<td>Commodore Sedan</td>
<td>11.5</td>
<td>11.6</td>
</tr>
<tr>
<td>63</td>
<td>490FQH</td>
<td>Commodore Sedan</td>
<td>11.5</td>
<td>*11.6</td>
</tr>
<tr>
<td>64</td>
<td>1ATP251</td>
<td>Commodore Sedan</td>
<td>11.5</td>
<td>*11.6</td>
</tr>
<tr>
<td>65</td>
<td>ZKL364</td>
<td>Commuter Bus</td>
<td>11.5</td>
<td>13</td>
</tr>
<tr>
<td>66</td>
<td>ZKK428</td>
<td>Commuter Bus</td>
<td>11.5</td>
<td>9.1</td>
</tr>
<tr>
<td>67</td>
<td>XAM077</td>
<td>Corolla Conquest Seca</td>
<td>8.5</td>
<td>9</td>
</tr>
<tr>
<td>68</td>
<td>1AOH004</td>
<td>Express Walk-thru Van</td>
<td>11.5</td>
<td>14.1</td>
</tr>
<tr>
<td>69</td>
<td>YAG78F</td>
<td>Fairmont S/Wgn</td>
<td>12</td>
<td>13.5</td>
</tr>
<tr>
<td>70</td>
<td>YAW79V</td>
<td>Fairmont Sedan</td>
<td>11.5</td>
<td>11.3</td>
</tr>
<tr>
<td>71</td>
<td>YBB42W</td>
<td>Fairmont Sedan</td>
<td>11.5</td>
<td>*11.3</td>
</tr>
<tr>
<td>72</td>
<td>QEQ208</td>
<td>Falcon FORTE Sedan</td>
<td>11.5</td>
<td>11</td>
</tr>
<tr>
<td>73</td>
<td>ZYA056</td>
<td>Futura LPG Sedan</td>
<td>16</td>
<td>Unavailable</td>
</tr>
<tr>
<td>74</td>
<td>933FAW</td>
<td>Futura S/Wagon</td>
<td>12</td>
<td>11.9</td>
</tr>
<tr>
<td>75</td>
<td>YAM57R</td>
<td>Futura S/Wagon</td>
<td>12</td>
<td>13.1</td>
</tr>
<tr>
<td>76</td>
<td>ZKL454</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>*12.2</td>
</tr>
<tr>
<td>77</td>
<td>VIZ844</td>
<td>Futura Sedan</td>
<td>12.5</td>
<td>12.3</td>
</tr>
<tr>
<td>78</td>
<td>VPG906</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>*12.2</td>
</tr>
<tr>
<td>#</td>
<td>Rego</td>
<td>Description</td>
<td>Rating L/100KM</td>
<td>Actual Fuel Consumption L/100KM</td>
</tr>
<tr>
<td>----</td>
<td>---------</td>
<td>---------------------</td>
<td>----------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>79</td>
<td>IAIW751</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>*12.2</td>
</tr>
<tr>
<td>80</td>
<td>YAG15Z</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>12.3</td>
</tr>
<tr>
<td>81</td>
<td>224FBR</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>10.7</td>
</tr>
<tr>
<td>82</td>
<td>229FBR</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>10.4</td>
</tr>
<tr>
<td>83</td>
<td>FZL289</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>16.9</td>
</tr>
<tr>
<td>84</td>
<td>QHQ128</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>*12.2</td>
</tr>
<tr>
<td>85</td>
<td>QIR620</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>*12.2</td>
</tr>
<tr>
<td>86</td>
<td>QIR622</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>*12.2</td>
</tr>
<tr>
<td>87</td>
<td>QIR703</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>*12.2</td>
</tr>
<tr>
<td>88</td>
<td>WKY633</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>*12.2</td>
</tr>
<tr>
<td>89</td>
<td>WKY634</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>*12.2</td>
</tr>
<tr>
<td>90</td>
<td>WKY638</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>*12.2</td>
</tr>
<tr>
<td>91</td>
<td>WKY641</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>*12.2</td>
</tr>
<tr>
<td>92</td>
<td>442FSB</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>*12.2</td>
</tr>
<tr>
<td>93</td>
<td>WXC474</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>*12.2</td>
</tr>
<tr>
<td>94</td>
<td>WOZ833</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>11</td>
</tr>
<tr>
<td>95</td>
<td>WXC846</td>
<td>Futura Sedan</td>
<td>11.5</td>
<td>*12.2</td>
</tr>
<tr>
<td>96</td>
<td>VVC493</td>
<td>Hino Bus 35 seater</td>
<td>155</td>
<td>Unavailable</td>
</tr>
<tr>
<td>97</td>
<td>WKE571</td>
<td>Landcruiser RV S/Wagon 4x4</td>
<td>12.5</td>
<td>*14</td>
</tr>
<tr>
<td>98</td>
<td>ZKK166</td>
<td>Magna Advance S/Wagon</td>
<td>11</td>
<td>10.6</td>
</tr>
<tr>
<td>99</td>
<td>YAV42D</td>
<td>Magna Advance S/Wagon</td>
<td>11.5</td>
<td>11.7</td>
</tr>
<tr>
<td>100</td>
<td>QHE731</td>
<td>Magna Advance S/Wagon</td>
<td>11.5</td>
<td>*11.1</td>
</tr>
<tr>
<td>101</td>
<td>ZKL691</td>
<td>Magna Advance Sedan</td>
<td>10.5</td>
<td>11</td>
</tr>
<tr>
<td>102</td>
<td>WGL863</td>
<td>Magna Advance Sedan</td>
<td>11</td>
<td>9.5</td>
</tr>
<tr>
<td>103</td>
<td>WFH629</td>
<td>Magna Advance Sedan</td>
<td>11</td>
<td>12.3</td>
</tr>
<tr>
<td>104</td>
<td>YAP90G</td>
<td>Magna Advance Sedan</td>
<td>11</td>
<td>11.2</td>
</tr>
<tr>
<td>105</td>
<td>QHE727</td>
<td>Magna Advance Sedan</td>
<td>11</td>
<td>*11.9</td>
</tr>
<tr>
<td>106</td>
<td>WQG326</td>
<td>Magna Advance Sedan</td>
<td>11</td>
<td>12.5</td>
</tr>
<tr>
<td>107</td>
<td>WOB601</td>
<td>Magna Advance Sedan</td>
<td>11</td>
<td>15.4</td>
</tr>
<tr>
<td>108</td>
<td>VXW827</td>
<td>Magna Sedan</td>
<td>9</td>
<td>15.2</td>
</tr>
<tr>
<td>109</td>
<td>QBJ298</td>
<td>Magna Sedan</td>
<td>11</td>
<td>11.5</td>
</tr>
<tr>
<td>110</td>
<td>QBJ299</td>
<td>Magna Sedan</td>
<td>11</td>
<td>11.7</td>
</tr>
<tr>
<td>111</td>
<td>WOB540</td>
<td>Magna Sedan</td>
<td>11</td>
<td>*11.9</td>
</tr>
<tr>
<td>112</td>
<td>WVJ352</td>
<td>Magna Sedan</td>
<td>11</td>
<td>*11.9</td>
</tr>
<tr>
<td>113</td>
<td>YAV30D</td>
<td>Magna Sports Sedan</td>
<td>10.5</td>
<td>11.2</td>
</tr>
<tr>
<td>114</td>
<td>ZKF565</td>
<td>Patrol DX S/Wgn 4x4</td>
<td>12.5</td>
<td>14</td>
</tr>
<tr>
<td>115</td>
<td>ZPK822</td>
<td>Tarago GLI Bus</td>
<td>12</td>
<td>14.3</td>
</tr>
<tr>
<td>#</td>
<td>Rego</td>
<td>Description</td>
<td>Fuel Efficiency Rating L/100KM</td>
<td>Actual Fuel Consumption L/100KM</td>
</tr>
<tr>
<td>----</td>
<td>--------</td>
<td>---------------------------</td>
<td>-------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>116</td>
<td>507FPZ</td>
<td>Tarago GLI Bus</td>
<td>12</td>
<td>*14.2</td>
</tr>
<tr>
<td>117</td>
<td>ZKK471</td>
<td>Tarago GLX Bus</td>
<td>12</td>
<td>13.6</td>
</tr>
<tr>
<td>118</td>
<td>ZKK472</td>
<td>Tarago GLX Bus</td>
<td>12</td>
<td>15.8</td>
</tr>
<tr>
<td>119</td>
<td>ZKK473</td>
<td>Tarago GLX Bus</td>
<td>12</td>
<td>13.2</td>
</tr>
<tr>
<td>120</td>
<td>WFJ177</td>
<td>Vectra CD Sedan</td>
<td>9.5</td>
<td>*12.5</td>
</tr>
<tr>
<td>121</td>
<td>QBU921</td>
<td>Vectra CD Sedan</td>
<td>9.5</td>
<td>12.2</td>
</tr>
<tr>
<td>122</td>
<td>YBA10N</td>
<td>Vectra CD Sedan</td>
<td>9.5</td>
<td>12.8</td>
</tr>
<tr>
<td>123</td>
<td>YAV62Y</td>
<td>Verada El S/Wagon</td>
<td>11.5</td>
<td>10.1</td>
</tr>
<tr>
<td>124</td>
<td>WTS632</td>
<td>Verada El Sedan</td>
<td>11</td>
<td>*10.8</td>
</tr>
<tr>
<td>125</td>
<td>YAV38D</td>
<td>Verada El Sedan</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>126</td>
<td>YAV37D</td>
<td>Verada El Sedan</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>127</td>
<td>YAV54Y</td>
<td>Verada El Sedan</td>
<td>11</td>
<td>12.2</td>
</tr>
<tr>
<td>128</td>
<td>YAG71X</td>
<td>Verada XI Sedan</td>
<td>12</td>
<td>11.3</td>
</tr>
<tr>
<td>129</td>
<td>YAY71C</td>
<td>Vienta Grande Sedan</td>
<td>10.5</td>
<td>*11.9</td>
</tr>
<tr>
<td>130</td>
<td>YAK88K</td>
<td>Vienta VXI Sedan</td>
<td>10.5</td>
<td>11</td>
</tr>
<tr>
<td>131</td>
<td>YAR43F</td>
<td>Vienta VXI Sedan</td>
<td>10.5</td>
<td>12.8</td>
</tr>
<tr>
<td>132</td>
<td>UXY735</td>
<td>Volkswagen Transporter Van</td>
<td>15</td>
<td>13.7</td>
</tr>
<tr>
<td>133</td>
<td>WQD919</td>
<td>Volkswagen Transporter Van</td>
<td>15</td>
<td>13.2</td>
</tr>
<tr>
<td>134</td>
<td>UXY733</td>
<td>Volkswagen Transporter Van</td>
<td>15</td>
<td>13.7</td>
</tr>
<tr>
<td>135</td>
<td>UXY734</td>
<td>Volkswagen Transporter Van</td>
<td>15</td>
<td>14.1</td>
</tr>
<tr>
<td>136</td>
<td>VCB908</td>
<td>Volkswagen Transporter Van</td>
<td>15</td>
<td>14.4</td>
</tr>
<tr>
<td>137</td>
<td>VCB909</td>
<td>Volkswagen Transporter Van</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>138</td>
<td>574173</td>
<td>Volkswagen Transporter Van</td>
<td>15</td>
<td>15.4</td>
</tr>
<tr>
<td>139</td>
<td>WHB967</td>
<td>Volkswagen Transporter Van</td>
<td>15</td>
<td>21.2</td>
</tr>
</tbody>
</table>

*Actual fuel efficiency ratings are based on the average actual fuel efficiency rating for an equivalent model. Other actuals are based on the Annual Energy Report for 1999-2000*