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Wednesday, 23 May 2001

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

AUSTRALIA NEW ZEALAND FOOD AUTHORITY AMENDMENT BILL 2001
In Committee

Consideration resumed from 22 May.

The CHAIRMAN—The committee is considering the Australia New Zealand Food Authority Amendment Bill 2001, as amended. The question is that the bill, as amended, be agreed to.

Senator FORSHAW (New South Wales)(9.31 a.m.)—by leave—I move opposition amendments (8), (16) and (23) through to (30) on sheet 2197:

(8) Schedule 1, item 80, page 17 (after line 22), after subsection (4), insert:  

(4A) As soon as practicable after complying with subsection (4), the Authority must publish in a newspaper circulating in each State or Territory and in New Zealand a copy of the notice mentioned in paragraph (4)(b), together with information about where a copy of the draft may be obtained.

(16) Schedule 1, item 81, page 21 (line 2), at the end of paragraph (c), add “and in a newspaper circulating in each State or Territory and in New Zealand”.

(23) Schedule 1, item 81, page 22 (line 35), at the end of paragraph (4)(b), add “and in a newspaper circulating in each State or Territory and in New Zealand, together with information about where a copy of the draft may be obtained or inspected”.

(24) Schedule 1, item 81, page 23 (lines 28 and 29), omit subsection (2), substitute:  

(2) The Authority must publish a copy of a declaration under subsection (1):  

(a) on the Internet; and  

(b) in a newspaper circulating in each State or Territory and in New Zealand.

(25) Schedule 1, item 81, page 23 (after line 29), after subsection (2), insert:  

(2A) The Authority must take all reasonable steps to distribute copies of the declaration to the print and electronic media in Australia and New Zealand for the purpose of seeking media publicity about the urgent application or proposal.

(26) Schedule 1, item 81, page 24 (after line 25), at the end of section 25, add:  

(4) As soon as practicable after complying with subsection (3), the Authority must publish in a newspaper circulating in each State or Territory and in New Zealand a copy of the notice mentioned in paragraph (3)(b), together with information about where a copy of the draft may be obtained.

(27) Schedule 1, item 81, page 25 (line 16), at the end of paragraph (b), add “and in a newspaper circulating in each State or Territory and in New Zealand, together with information about where a copy of the draft may be obtained or inspected”.

(28) Schedule 1, item 81, page 29 (line 29), at the end of paragraph (2)(c), add “and in a newspaper circulating in each State or Territory and in New Zealand”.

(29) Schedule 1, item 81, page 30 (line 5), at the end of paragraph (4)(b), add “and in a newspaper circulating in each State or Territory and in New Zealand, together with information about where the text of the revocation or amendment may be obtained or inspected”.

(30) Schedule 1, item 81, page 31 (lines 3 and 4), omit subsection (2), substitute:  

(2) The Authority must publish a notice setting out a decision under paragraph (1)(b):  

(a) on the Internet; and  

(b) in a newspaper circulating in each State or Territory and in New Zealand.

These amendments, in shorthand, relate to a requirement for notification in newspapers. I note that our amendments are identical to those put forward by the Democrats. That obviously indicates that we have the same concerns and views regarding the need to strengthen the legislation by way of the proposals in these amendments. The amendments go to the heart of the issue of transparency and the right of all Australians to have access to information relating to the operations of FSANZ, Food Standards Australia New Zealand, and to be able to make submissions on areas of concern to them.
Unlike the Gene Technology Act and the current Australia New Zealand Food Authority processes, the Australia New Zealand Food Authority Amendment Bill 2001 proposes that most of the information that the public should have access to will be available only on the Internet. Notwithstanding the importance of the Internet in today’s world, this is unacceptable. It clearly discriminates against many Australians who do not have access to this technology or do not feel comfortable utilising Internet technology or those like me who cannot get access to it because their kids are always on it. It is quite clear that a substantial proportion of the population—I would venture to say the whole of the population—should be given the opportunity to have access to important information by means other than just the Internet. Our amendments will ensure that public notification is placed in newspapers across the various states of Australia and throughout New Zealand. In addition, we have an amendment that requires the authority to take the additional step of distributing copies of declarations to the print and electronic media in Australia and New Zealand to publicise urgent applications or proposals.

I understand that the government’s major concern about our proposed amendments goes to cost. That, of course, is always an important consideration but it should never ever be the overriding consideration and certainly when it comes to the health and safety of Australians and the ability for them to access information about the food that they consume. Frankly, cost is not a consideration that should even rate compared to the importance of having open, transparent access to information. In any event, we submit that cost considerations would be minimal in the overall context of the operations of the authority. So cost is not an acceptable reason for not supporting these amendments—if that is what falls from the government, as I expect it might.

I make the point once again that the government has always been happy to spend hundreds of millions of dollars on advertising campaigns for the most noxious of policies, such as the GST. So it will not come as any surprise for the government to hear us suggest that it could devote a few dollars to ensuring that the public have ready access by way of newspaper advertisements to important information about health and safety with regard to the food that they consume.

Senator GREIG (Western Australia) (9.36 a.m.)—As Senator Forshaw rightly pointed out, the Democrats are of the same thinking as the opposition on these particular amendments, and we had in fact proposed to move the same amendments. So, clearly, we support those now before us. In doing so, we believe that the requirements for the public notification of routine and urgent applications in the current bill are inadequate. We do not believe it is acceptable that the relatively passive medium of the Internet be relied upon. We are clearly inclined to support that Food Standards ANZ be required to provide notification in newspapers and we therefore will support these particular amendments.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (9.37 a.m.)—I believe the opposition has not fully grasped the system that is currently in place and which would continue for FSANZ—that is, the authority has the flexibility to choose the most effective means to notify relevant stakeholders as well as the public. Essentially, it is an issue of effectiveness, not cost. Our preference would have been to retain throughout the bill the requirements for FSANZ to give public notice, as ANZFA does currently. I understand this is what the Democrats moved the last time that the ANZFA Act was amended, and it would have provided flexibility for FSANZ in relation to its notification arrangements. However, the government will not oppose the amendments in the interests of progressing the bill.

Amendments agreed to.

Senator FORSHAW (New South Wales) (9.39 a.m.)—by leave—I move opposition amendments Nos 9, 10, 12, 17, 18 and 19 on sheet 2197:

(9) Schedule 1, item 81, page 18 (line 10), omit “may”, substitute “must”.

(10) Schedule 1, item 81, page 19 (line 21), omit “may”, substitute “must”. 
(12) Schedule 1, item 81, page 20 (line 29), omit “may”, substitute “must”.

(17) Schedule 1, item 81, page 21 (lines 11 to 16), omit paragraph (b), substitute:

(b) the Council informs the Authority that the Council does not intend to request the Authority to review the draft;

(18) Schedule 1, item 81, page 22 (lines 20 to 24), omit paragraph (3)(b), substitute:

(b) the Council informs the Authority that the Council does not intend to amend or reject the draft;

(19) Schedule 1, item 81, page 21 (line 31) to page 22 (line 5), omit paragraph (b), substitute:

(b) the Council informs the Authority that the Council does not intend to request the Authority to review the draft;

This group of amendments relate to the issue of the ministerial council being required to inform the authority of decisions that it makes. Under the proposed legislation, the ministerial council has 60 days to assess applications and proposals put to it by Food Standards Australia New Zealand. During that time, they can accept the application or proposal, ask for a review or reject the application or proposal. If there is no response within 60 days, the application or proposal is gazetted—that is, it becomes law. This is not acceptable to the opposition. We believe the Australian public would be horrified to think that proposals related to food safety might become law simply by default. Under this proposal, there is no guarantee that any of the ministers on the ministerial council would even have sighted a proposal or an application. Therefore, we are moving these amendments to ensure that no proposals or applications will become law simply by default.

Under our amendments, the ministerial council must inform the authority of its intentions in relation to all applications or proposals—that is, it must let the authority know if it chooses to accept, review or reject a proposal or an application. We submit that it would be a brave government indeed that would argue that a process such as this, which guarantees ministerial responsibility and oversight on issues of food safety, should not go ahead. Perhaps I should say that it would be either a brave government or, indeed, a reckless government that would say that.

These amendments are not onerous; they simply involve the requirement of a letter from the ministerial council to the authority, informing it of their intentions in relation to an application or a proposal. We believe that is a simple, not onerous but nevertheless very important requirement that should be enshrined in this legislation.

Senator GREIG (Western Australia) (9.42 a.m.)—These amendments, now amalgamated, essentially mean that we can have active closure on any particular variation or new standard within the legislation. We Democrats are not completely satisfied that the passive position taken thus far in the bill is adequate. Accordingly, we support these opposition amendments.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (9.42 a.m.)—We have very strong opposition to the proposed amendments, and it is certainly an issue on which we will be dividing. This is another case where the ALP are placing themselves above the Australian and New Zealand governments. It is obviously done for their own political interests. The jurisdictionally agreed model is based on a thorough review of the issues. It seeks to ensure decisions are made by a board of experts and are based on sound objective science and assessed risk. It seeks to ensure a more efficient system by requiring governments to respond within 60 days if they wish to seek a review of a proposed standard, it gives every jurisdiction the authority to seek a first review and a majority to seek a second review, but it allows no one jurisdiction the veto power simply by refusing to respond.

The opposition amendments seem designed to wreck the system entirely, giving any one jurisdiction that veto power, either inadvertently or otherwise. Anything is possible with some of the state Labor governments that we have at the moment. It would also considerably slow the system of response by removing any incentive to respond.
within 60 days. In a sample of 15 cases, in only one case did all ministers respond within 60 days; in half of the rest, there were all but one or two responses; in other cases, only four or five had responded.

My advice is that there is considerable opposition to the proposed amendments. I am informed that New Zealand is opposed and the states—including Labor states and territories—are opposed. The government bases its actions on broad advice and widespread agreement. The opposition senators seem intent purely on opposition, and we cannot accept the amendments. It would be better to have no legislation than to have what is proposed.

The TEMPORARY CHAIRMAN (Senator Knowles)—The question is that opposition amendments Nos 9, 10, 12 and 17 to 19 on sheet 2197 be agreed to.

The committee divided. [9.49 a.m.]
(The Chairman—Senator S.M. West)

<table>
<thead>
<tr>
<th>Ayes...........</th>
<th>34</th>
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<td>31</td>
</tr>
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<td>Majority.......</td>
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AYES

| Allison, L.F. | Bartlett, A.J.J. |
| Bishop, T.M. | Bolkus, N. |
| Bourne, V.W. | Brown, B.J. |
| Buckland, G. | Campbell, G. |
| Carr, K.J. | Collins, J.M.A. |
| Cook, P.F.S. | Cooney, B.C. |
| Crossin, P.M. | Crowley, R.A. |
| Denman, K.J * | Evans, C.V. |
| Faulkner, J.P. | Forshaw, M.G. |
| Greig, B. | Hogg, J.J. |
| Hutcheson, S.P. | Lees, M.H. |
| Ludlow, J.W. | McKiernan, J.P. |
| McLachlan, J.E. | Murphy, S.M. |
| Murray, A.J.M. | O’Brien, K.W.K. |
| Ray, R.F. | Ridgeway, A.D. |
| Schacht, C.C. | Stott Despoja, N. |
| West, S.M. | Woodley, J. |

NOES

| Abetz, E. | Alston, R.K.R. |
| Boswell, R.L.D. | Brandis, G.H. |
| Calvert, P.H * | Campbell, I.G. |
| Chapman, H.G.P. | Coonan, H.L. |
| Crane, A.W. | Eggleston, A. |
| Ellison, C.M. | Ferguson, A.B. |
| Ferris, J.M. | Gibson, B.F. |
| Harris, L. | Heffernan, W. |
| Herron, J.J. | Hill, R.M. |
| Kemp, C.R. | Knowles, S.C. |
| Macdonald, J.A.L. | Mason, B.J. |
| McGauran, J.J.J. | Newman, J.M. |
| Patterson, K.C. | Payne, M.A. |
| Reid, M.E. | Tambling, G.E. |
| Tchen, T. | Tierney, J.W. |
| Watson, J.O.W. | |

PAIRS

Conroy, S.M. | Vanstone, A.E. |
Gibbs, B. | Minchin, N.H. |
Lundy, K.A. | Troeth, J.M. |
Mackay, S.M. | Lightfoot, P.R. |
Sherry, N.J. | Macdonald, I. |
* denotes teller

Question so resolved in the affirmative.

Senator BROWN (Tasmania) (9.52 a.m.)—I move Australian Greens amendment No. 1:

(1) Schedule 1, page 34 (after line 19), after item 113, insert:

113A After Part 3
Insert:

PART 3A—THE COUNCIL

39A The Council

(1) The Minister representing each State and Territory on the Council must be the Minister who has primary responsibility for the health portfolio in that jurisdiction (the lead Minister).

(2) No other Minister may substitute for the lead Minister on the Council.

The effect of this amendment would be to have the council made up of the ministers for health from each of the states and territories and New Zealand. The committee will note that there is a query about constitutional power. But it is very important that this amendment be brought before the committee. What I would like to know from the government is what arrangement has been made to have the ministers for health on this council. The council is to look after the food safety and health for Australians and New Zealanders.

The Greens on both sides of the Tasman are concerned that the advisory board may end up being infiltrated or weighted by big food corporations and food industry groups whose primary interest is not health but the
profits they will make from their businesses. We are concerned that they, in conjunction with ministers for industrial development or agriculture, for example, on the council, would weigh this structure against the health and safety interests that are foremost in the minds of everybody in the new set-up. We want to know that there is going to be some assurance that this process of giving business the upper hand in determining outcomes on food and health safety is nipped in the bud. This amendment is meant to facilitate the Senate expressing its determination that ministers for health will make up this board, not ministers representing industry.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (9.55 a.m.)—I appreciate the issues that are being raised and the importance of the involvement of health ministers as a primary consideration with regard to these entire changes. I would refer Senator Brown in particular to much of the discussion that led to the intergovernmental agreement between all of the 10 jurisdictions. The issue that has been addressed in the amendment cannot be covered in the act as the ministerial council is not created under legislation but by the intergovernmental agreement between the jurisdictions. I can, however, advise Senator Brown that all health ministers must be on the council.

The Australian Government Solicitor has confirmed that the lead minister cannot be stipulated in the act. I think it has been accepted to date, and certainly is the intent of all current jurisdictions, that they have nominated their health minister as the lead minister in each and every circumstance. So the issue that Senator Brown believes is of primary importance has been picked up by the Commonwealth and all states. It has been confirmed that the health minister, Dr Wooldridge, will chair the council where previously I have done so as the parliamentary secretary in that area. I am sure I will still have a role and I will still be there looking after not only the Senate’s interests but also that area.

The whole basis of the new system is that the whole food chain is covered and, therefore, you need all of the players on board to make it work. Certainly there will be involvement from other portfolios, but I do accept the point of the primacy that needs to be taken with regard to health and public safety issues. It could be very difficult to achieve resolution of the transfer of standard setting for agriculture and fish products if those ministers in particular were not engaged in the process. The new process is embracing, but I believe the points that have been addressed by Senator Brown have been picked up and are the intent of all jurisdictions participating.

Senator BROWN (Tasmania) (9.57 a.m.)—I ask the minister how that intent is actually formally expressed. It is sitting in the air. I thank the minister for his response to my question, but there is an uneasiness amongst non-government organisations and community groups that what at the outset begins as good intent can very easily be changed without legislative back-up. I understand from what the minister is saying that the jurisdictions involved, including New Zealand, have agreed that the lead minister on the council will be the minister for health and that the Australian minister will be chairing the council. I wonder if the minister can provide any information to the committee about how that intent is going to be cemented and carried through into the future.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (9.59 a.m.)—Let me quote from the intergovernmental agreement with regard to administrative arrangements. The section headed ‘Australia and New Zealand Food Regulation Ministerial Council’ states:

3. The Parties shall establish a Council, to be known as the Australia and New Zealand Food Regulation Ministerial Council, which will:

(a) have responsibility for:

and then it sets out the various responsibilities and—

(b) consist of one or more members representing each Party, and the Government of New Zealand, who shall be the Minister for Health of each Party or Government and other Ministers nominated by that Party or Government with prime responsibility for matters with which this agreement is concerned:
The other aspects under 3 relate to chairing and operations. The points under the operation arrangements state:

(i) each Party, and the Government of New Zealand, shall have one vote on a proposed resolution of the Ministerial Council and this vote shall represent the views of all Ministers of the Party, or Government of New Zealand;

(ii) only a lead Minister shall have the right to vote on a resolution proposed by the Ministerial Council ...

There are also a number of other issues in that area. This issue that I have addressed demonstrates that, in the agreement between the Prime Minister, the Prime Minister of New Zealand and the premiers and chief ministers, it was intended that, with regard to 3(b), the minister for health be named specifically and that the participation of other ministers be a matter constitutionally and jurisdictionally for each of the respective jurisdictions to determine.

Senator BROWN (Tasmania) (10.01 a.m.)—Could the minister acquaint us further with the Solicitor’s advice about this amendment? We have an interesting agreement here by states, territories and New Zealand. The question arises: is there an impediment to this amendment being brought forward because that agreement is there, or has it been explicitly determined that, while the agreement is there, it is not to be legislated?

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (10.01 a.m.)—I have officials looking to see if there is anything that I can offer with regard to that opinion of the Solicitor-General. I make the point that this act and the legislation that we are dealing with do not go to the issue of the ministerial council. The ministerial council is created by the intergovernmental agreement and what will be the treaty between Australia and New Zealand. That issue is a matter for the ministerial council. As I said at the outset, the ministerial council is not created by the legislation; it exists now under the terms of the agreement that was made last November. So we are not dealing with that issue, whereas the Greens amendment, in my understanding, tries to go to the issue of constitutionality in this area.

Senator BROWN (Tasmania) (10.02 a.m.)—That is the very point. We have an intergovernmental agreement, so why not legislate? The concern is that more and more government is by agreement and decision making processes outside the ability of this parliament to review; it is by de facto democracy, if you like. The intent of this amendment from the Greens is to say, ‘There is agreement by all jurisdictions, let us now legislate for it.’ The concern in New Zealand from the Greens is that treaties do not come before the parliament; they will not be brought into a legislative form in New Zealand. If everybody is in agreement, the question is: what is the problem in legislating? That is why I am interested in seeing what the Solicitor-General had to say and to discover whether in fact there had been any discussion in the process of reaching that agreement which said, ‘Let us have an agreement on this but let us not legislate.’ I would far sooner see it legislated and, therefore, the council be reviewable by the parliament.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (10.04 a.m.)—I appreciate the points that Senator Brown is making but they are essentially of a philosophic nature and go to a range of areas. I point out to Senator Brown that the current legislation does not make any provision with regard to the composition of the ministerial council. The legal advice to which I referred earlier was actually from the Australian Government Solicitor in an advice, dated 18 May, to the offices of the department. I will read two paragraphs from that correspondence. In the second paragraph the Government Solicitor makes the point:

The question on which you sought advice was whether the bill could be amended to require that a lead minister of the Australian and New Zealand Food Regulation Ministerial Council as established by the Food Regulation Agreement 2000 be a minister for health. In that connection, you also asked me to advise on the status of the agreement, in particular on whether it is an agreement that gives rise to legal rights or obligations or is merely a political agreement.
There is more comprehensive details attached, but essentially the summary of the advice is:

In my view, it would not be possible for the bill to provide along these lines. In relation to the status of the agreement, the agreement is, in my view, merely a political agreement.

Senator BROWN (Tasmania) (10.05 a.m.)—That does not address the question as to whether or not it is constitutionally valid. I know that I am not going to win this amendment, but I am using it for this very important debate because there are more agreements such as this coming down the line—you can guarantee it. The question is: are we going to allow the process to continue to become more extra-parliamentary? When we do that, it means that the executives of the elected parliaments of the several states and territories, the Commonwealth and the nation of New Zealand get together and make decisions to establish bodies which are then at arm’s length from the elected parliaments, such as this chamber. That concerns me. It may appear a little daunting, but I think that these agreements would be much better if they went back to the parliaments and we agreed by all the parliaments involved. That is not breaking new ground; that happens on a lot of matters. When it comes to public health and safety it should be to the fore. So I thank the minister for the information he has given. The amendment is an important one for us, but it is important that we have more information on it. In the absence of any contrary explicit advice, I ask that the amendment be put to the vote.

Amendment not agreed to.

Senator FORSHAW (New South Wales) (10.07 a.m.)—As I am advised, the subsequent amendments to be moved by the opposition and the Democrats in relation to the structure of the board of Foods Standards Australia New Zealand mean that we will be withdrawing amendments Nos 31, 32 and 33. At this stage, I withdraw opposition amendment No. 31. I just make the point that, in doing so, we acknowledge that the Labor opposition and the Democrats are of like mind on this issue—that is, we want to ensure an appropriate balance of expertise on the board and a depoliticised and transparent process for appointment to the board. We will no doubt come to the issue again shortly with respect to the other amendments that will be moved.

Senator GREIG (Western Australia) (10.09 a.m.)—In view of that, perhaps the procedure that we should go forward with now is for me to seek leave to move Democrats amendments Nos 14, 15 and 16 together.

The TEMPORARY CHAIRMAN (Senator Knowles)—Senator Greig, we were going to deal only with amendment No. 14, because there are amendments proposed to your amendment. Please proceed with Democrats amendment No. 14.

Senator GREIG—I move Democrats amendment No. 14:

(14) Schedule 1, item 118, page 35 (lines 16 to 22), omit the item, substitute:

118 Paragraphs 40(1)(aa), (b), (ba),
(c), (d) and (e)
(a) the Chief Executive Officer; and
(b) 2 members nominated by the New Zealand lead Minister on the Council; and
(c) a member nominated by consumer organisations; and
(d) a member nominated by the National Health and Medical Research Council; and
(e) 4 members nominated by scientific and public health organisations; and
(f) 2 members nominated by food industry organisations

The amendment principally addresses one of the major concerns that we have with regard to the bill, and that is the proposed membership of the Food Standards ANZ board. That issue was discussed at great length during the public hearings. The bill as it stands removes one of the current positions on the ANZFA board—the member who was an officer of a state or territory authority having responsibility for matters relating to public health—and increases the possible number of other members from the current two to between one and five. At the same time, the bill increases the fields of expertise from which other members can be appointed by includ-
ing international trade, small business, the food industry and primary food production. A concern raised in submissions and discussed at length with witnesses at the public hearing is that this list of fields of expertise potentially allows an undesirable overrepresentation of commercial interests on the board. Even the department acknowledged that the board could be stacked with, say, five members all with industry interests.

We Democrats believe that there is good cause for some food industry representation on the Food Standards ANZ board and acknowledge that it is unlikely a board would become completely stacked with industry interests. However, this is no excuse for complacency. The board’s primary interest is public health and safety. It is not an instrument for the food industry. It is even less acceptable for it to be an instrument for advancing WTO agendas. The Democrats believe a very good case was made by a number of submissions and witnesses for an increase in representation from medical science, public health and food science, including a representative from the National Health and Medical Research Council.

We Democrats are conscious of the very serious medical consequences of ongoing stress arising from food anaphylaxis. We are also well aware of the increasing efforts of food producers to develop and commercialise so-called novel foods. Accordingly, the Democrats amendment principally seeks to increase the size of the board to 12, expand the fields of expertise in the non-mandated components of the board, place a nominee of the National Health and Medical Research Council on the board and limit the number of members with commercial expertise. Amendments Nos 14, 15 and 16, to which I referred initially, will go to the heart of that, expand the fields of expertise in the non-mandated components of the board, place a nominee of the National Health and Medical Research Council on the board and limit the number of members with commercial expertise.

Senator FORSHAW (New South Wales) (10.13 a.m.)—I indicate that we are prepared to support Democrats amendment No. 14. I understand the Democrats are prepared to accept our amendment No. 1 on revised sheet 2206. That would add the words ‘or public bodies’ in paragraph (g). At the moment the Democrats amendment proposes that paragraph (g) read ‘two members nominated by food industry organisations’. We are proposing that that be amended by adding the words ‘or public bodies’. I now move opposition amendment No. 1 to Democrats amendment No. 14:

(1) Amendment (14), at the end of paragraph 40(1)(g), add “or public bodies”.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (10.14 a.m.)—In considering these amendments, the government’s clear commitment to ensuring consumers have significant input into the setting of food standards should be noted—unlike the opposition, which seems deeply suspicious of all areas of expertise other than consumers. The government respects the contributions of many areas of expertise. Strong consumer input is a vital element of an expert board. When the government decided to maintain the mandatory position on the board for a person with a background in consumer rights, this field of expertise was inadvertently removed from the discretionary list in section 43 of the bill. I shall therefore be supporting arrangements to have both a mandatory position for a person with expertise in consumer rights and, optionally, an additional person with expertise in consumer rights as chair of the board, as one of the New Zealand nominees to the board or to any of the remaining positions on the board other than that reserved for the chief executive officer of FSANZ.

The inclusion of an NHMRC representative seems duplicative, since the discretionary list of fields of expertise already contains public health and human nutrition fields. Labor also wants to add food allergies, microbiology, biotechnology and veterinary science to the list. It should be noted that New Zealand strongly objects to the inclusion of this amendment. New Zealand argues that the inclusion of this representative would foreclose the possibility of a New Zealand nominee for this position. The food regulation agreement specifies that in mak
ing FSANZ board appointments, the health minister will seek to ensure that there is an appropriate balance of skills covering the listed areas of expertise.

It would appear the Democrats have developed a conspiracy theory about the food industry in Australia. I challenge them to back this theory up with any factual evidence that the food industry in Australia has ever conspired to act underhandedly with regard to these matters. The food industry in Australia has a strong record on its compliance with standards and in ensuring that public health and safety is a major goal. All jurisdictions and all Labor states—and, yes, even industry—are comfortable with the changes suggested, because they know the changes will not change the envisaged composition of the board anyway. The government does have concerns regarding the proposed amendments to the board but, in the interests of passing this bill, will not oppose this amendment.

Senator FORSHAW (New South Wales) (10.17 a.m.)—I cannot let the parliamentary secretary’s allegation pass that the opposition are only interested in the interests of consumer groups. We offer no apology for supporting the proposition that consumer organisations have a real role to play in this area. Anybody who suggests otherwise is flying in the face of reality. We are happy to stand alongside the Democrats and, no doubt, the Greens and be on the public record as supporting their vital interest in this issue.

Senator Tambling, playing politics as he does, suggested that that was our only interest and that somehow we had ignored the legitimate interests of other areas, such as science. Yet he then went on to point out the very fact that it is the Democrats amendment and our own amendments that expand the board by ensuring that there will be a representative of the National Health and Medical Research Council on the board—something the government opposes. Why you would oppose a representative of the pre-eminent health research body in this country being on the board of the food safety regulator, I cannot imagine, but the government does.

Senator Tambling also acknowledged that, in our amendment (3) on revised sheet 2206, which will come on soon, we are also proposing to have a recognition of the areas of food safety, biotechnology and veterinary science. So, if that is not ensuring that the interests of science and the various associated disciplines, such as veterinary science and biotechnology, are given a place alongside consumer interests, Senator Tambling must be reading different documents from those read by the rest of us.

Senator BROWN (Tasmania) (10.20 a.m.)—In response to Senator Tambling’s assertion that the food industry had never strayed, I draw his attention to the recent events in Tasmania, where trial canola crops which were to foster the genetically modified organisms aspect of the industry for big corporations from the Northern Hemisphere wanting to plant seed in the Southern Hemisphere to enhance their profit line secretly breached guidelines in crops planted all over Tasmania, without the knowledge even of local authorities. So there is a side to the industry which very much has to have an eye kept on it.

The whole point of the debate we are now having—and it is a very important debate—is: where is the advisory board going to be weighted? Is it going to be in the consumer interest or is it going to be in the interest of big business which, more and more, is getting a control over the food industry in Australasia. If we look at the existing bill, on page 21 we find that the minister may only appoint a person as chairperson or as a member if the minister is satisfied that that person is qualified in one or more of the following fields: public health, food science, human nutrition, food production or retailing, public administration and consumer rights.

It is totally aimed at looking after the consumer. Now we get this legislation from the government and we see that the appointees can have expertise in one or more of the following fields: public health, food science, human nutrition, government and food regulation. So far so good. But then we see it includes the food industry, food processing or retailing, primary food production, small business and international trade. So it is a completely new direction. Here come the big corporations. As we all know, when it comes
The consequent Green amendment is going to return this list to much the same as it has been over the last decade: one that is oriented towards protecting consumer interests—that is, the Australian and New Zealand citizens’ interests. This legislation says, ‘Let’s transfer that in a giant step here, to be no better than equal to the interests of the food industry and, significantly, international trade.’ Not if we have anything to say about it. I ask the minister: what was wrong with the original make-up which looked after consumer interests? Why, for example, is there to be a representative from international trade on the new council that is to advise government in making decisions?

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (10.24 a.m.)—I take note of the issues raised by Senator Brown. Some of the issues that I think he raised in the early part of the debate will and should more appropriately take place in other debates in this chamber. There is a difference between the Australia New Zealand Food Authority—which is now becoming FSANZ, Food Standards Australia New Zealand—and the legislation that we dealt with recently in the Senate with regard to the Office of the Gene Technology Regulator. I can understand that Senator Brown draws parallels between those areas, but this legislation is significantly dealing with food standards.

It is important to recognise the process that has taken place in developing this legislation. It is not something that has just quickly happened; it has been very extensive over a long period of time. It relies very heavily on the considerations of the Blair report. It has been dealt with not only at the current ministerial council level but also at COAG between the Prime Minister and the premiers. Whilst I know that Senator Brown can often be described—and I am not seeking to be provocative—as having a paranoia about the balance of representation between the different constituency groups, I think it has been recognised by all of the groups, including the consumer organisations and the public health and safety interests throughout the country, that there was need for significant change in this particular area. That is what is proposed in the legislation. The debate is very properly continuing with the amendments proposed by both the Labor Party and the Democrats here today.

So I am not as concerned. I think the intent and the ethics of all of the people involved are of goodwill and are appropriate. It has been developed and, whilst Senator Brown naturally has a perspective in which he may want to see biases or more slightly enhanced representation of the other groups, I think it is a matter of saying, ‘Where have we got to? Where are we going in these particular areas?’ So it is important that we get the balance right. What has arisen in the legislation is essentially by agreement of the various jurisdictions and, whilst there are certain New Zealand reservations, which I will come to shortly in further amendments, I think that the balance is significantly well intended and will operate very effectively in the composition that is proposed for the board.

The TEMPORARY CHAIRMAN (Senator Knowles)—The question is that the opposition amendment to the Democrat amendment be agreed to.

Question resolved in the affirmative.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (10.27 a.m.)—by leave—I move government amendments Nos 1 and 2 on revised sheet XX215:

1. Amendment (14), item 118, paragraph 40(1)(c), omit “2”, substitute “3”.

2. Amendment (14), item 118, paragraph 40(1)(f), omit “4”, substitute “3”.

These amendments would increase the maximum number of New Zealand members of the FSANZ board from two to three members. It is necessary, because of the amendments just made by the Labor Party and the Democrats, to increase the membership of the FSANZ board from 10 to 12 members. The New Zealand government has advised...
that its agreement to participate in the new food regulatory reforms is conditional upon the governance changes not diminishing New Zealand’s current influence. At present, New Zealanders comprise two members on the current eight-member ANZFA board and one of the two additional special purpose members of that board. These amendments would ensure that our New Zealand partners would have three members on the FSANZ board, retaining the same number as they have on the current ANZFA board. The failure to pass these amendments would cause considerable difficulties between New Zealand and Australia in maintaining the trans-Tasman food market system.

Senator FORSHAW (New South Wales) (10.29 a.m.)—The opposition is aware of the New Zealand government’s request or requirement for an extra representative on the board and we believe that it is a reasonable requirement and we support it. However, we cannot support this amendment. We support the principle but we cannot support this government amendment because we do not believe it is the appropriate way to provide for additional representation from the New Zealand government. The government amendments seek to increase the number of representatives from the New Zealand government from two to three but, in doing so, to offset that by reducing representation from people representing human health and safety from four to three.

We believe that that aspect is unacceptable and we do not believe that that area should lose a representative on the board in order to accommodate an extra representative from the New Zealand government. We should be able to find a solution to expanding the New Zealand government representation on the board without having to target other areas that are equally, if not more, important—without any disrespect to our New Zealand colleagues. We should not be resolving this issue by simply reducing representation from other extremely important areas. We believe that this issue can be resolved by further negotiation and by a subsequent amendment, if necessary, at a later time but we are not prepared to support this government amendment today.

Senator BROWN (Tasmania) (10.31 a.m.)—I ask Senator Tambling whether the New Zealand government has indicated from which areas of community or business the three representatives intended for the body will be drawn.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (10.32 a.m.)—Senator Brown addresses the question with regard to the New Zealand area. Under our amendment the inclusion of a third New Zealand board member will mean that, if the board has 12 members including a mandatory NHMRC representative, only five non-mandatory members can be appointed with expertise in one of the listed fields of expertise. However, the third New Zealand board member, like all the New Zealand board members, would still have to have expertise in one of those listed fields of expertise.

The Australian and New Zealand Food Regulation Ministerial Council will be consulted in relation to the nominations made by the New Zealand minister. The health minister will be seeking to include in the amendments to the joint foods standards treaty that we will be negotiating with New Zealand a requirement that the New Zealand minister shall give due consideration to, amongst other things, the board having an appropriate balance of skills covered in the listed areas of expertise when making his or her nominations. New Zealand have reported that they will ensure that there is an appropriate balance of skills when nominating their board representatives and, obviously, we do need to address the issue of board size.

The Food Regulation Agreement 2000 specifies that the board will have a maximum of 10 members. This was specifically done to ensure that the board was workable and manageable. The government could reluctantly agree to a maximum of 12 but would strongly oppose any increase above this. The opposition senators seem determined to take a carefully thought out system and to try to put through silly amendments to make it totally unwieldy. If this amendment is to proceed it should be noted that peak bodies would have to come from both Australia and New Zealand. Therefore, I would seek sup-
port from Senator Brown and other senators for the government amendment.

Senator GREIG (Western Australia) (10.34 a.m.)—As already stated by senators, this particular amendment seeks to increase the representation from New Zealand from two to three. I would like to put on record that we Democrats have had discussions with officials from New Zealand and we are very sympathetic to their desire to increase representation. However, as with the concerns expressed by Senator Forshaw, we feel that there are a number of mechanisms that could facilitate that and we look forward to further discussions on that. We are not satisfied that the government’s amendments are necessarily the best way forward. Accordingly, I would oppose this particular amendment by the government but do signal the need, and perhaps the desire, to come back to this issue at a later date.

Senator BROWN (Tasmania) (10.35 a.m.)—I support the New Zealand request to have three members but I come back to the question that I asked earlier. Has the New Zealand government indicated from where the three members will be drawn? Appropriate balance means nothing. It would be good to know whether the New Zealand consumer organisations and public interest in food safety are going to have that representation.

While I am on my feet, I will ask Senator Forshaw: what is the intention in the Labor amendment to have a biotech industry representative there? What qualifications does Labor see that person having and, again, is that person going to be somebody promoting GMOs or somebody who has the consumer interest in sight when it comes to genetically modified organisms being brought into food Australians and New Zealanders consume?

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (10.36 a.m.)—Senator Brown is keen to establish the discussions between the respective health ministers. My understanding is that discussions between the New Zealand health minister and Dr Wooldridge have been focused on this point of balance—the representation of three—and guaranteeing and ensuring that there is the appropriate balance of expertise in that particular area. I understand that there has been an undertaking that New Zealand will be very mindful of getting that particular balance correct and would seek to do so.

The fundamental issue for them is the three representation. It is important to note that New Zealand has nominated the health minister as the lead minister and I believe that we can rely on Ms King’s determination in this area to ensure the workability of FSANZ to get that balance right. There have been very good discussions between Annette King, Michael Wooldridge and myself in this area. The balance of appropriate skills in board representation is the adjunct issue to the crucial issue of maintaining the balance in the correct proportion. The history of New Zealand nomination in this area has been good. My recollection of the current board members is that one of the nominees is a person with dietician, consumer and Maori interests; I think there is an industry representative; and the third area relates to food science. Historically, that has come from New Zealand. The relationships between the two governments will ensure the workability of the scheme.

Senator FORSHAW (New South Wales) (10.39 a.m.)—I will respond to Senator Brown’s question. We would perceive that such a person would be a scientist with expertise in biotechnology. It would be a scientist, not an industry person. Obviously, as Senator Brown is aware, that type of expertise would be invaluable, particularly given some of the issues arising from GMOs and gene technology to which Senator Brown has drawn attention, and which we debated at some length here last year.

Senator BROWN (Tasmania) (10.39 a.m.)—That entirely depends on the scientist’s point of view. There are quite a few scientists in this country who are advocates of—

Senator Forshaw—Trust us!

Senator BROWN—Well, I don’t; that is my problem. I will do my best. Seriously, Senator Forshaw will be aware that there is a great ethical divide among scientists, as there is among the community, about biotechnology. Information on biotechnology is very
important. The fact that one person with biotechnology expertise is being mooted for representation makes that an important decision to make. I asked Senator Tambling what international trade meant and where that person was going to come from. I am also mindful that he has now weighted the averages by saying that if somebody from these categories is not appointed on this side of the Tasman, the New Zealanders will make up for it or vice versa. The crucial point of this debate is that the previous representation, which was consumer oriented, is moving very strongly to being industry oriented. I would be very interested to know what the governments have in mind in appointing somebody with expertise in international trade. Where is that person going to come from? What sort of expertise in international trade is being considered?

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (10.42 a.m.)—Senator Brown raises the issue about one of the options available to the nominations in that area. It is not a mandated position with regard to international trade. Along with a number of other fields of expertise, it is one on which appointments could be drawn. It is important to note that. I am advised that, in respect of the areas for Australian nominations, there are a number of people with skills in the area of international trade who have an understanding of harmonisation, which is also crucial. The essential point is that, while it is certainly named as one of the fields for possible nomination, it is only optional.

Senator BROWN (Tasmania) (10.42 a.m.)—The question of international trade is very important. It affects consumers in so many ways. A couple of years ago, legislation went through this place which defined, in respect of products, what was made in Australia and what was produce of Australia. That was a very poor outcome for consumers. As a result of that legislation, when most consumers go to the supermarket, they do not know that they may be buying a bottle of jam, the glass and top of which are produced in Australia representing 50 per cent of the cost, while the jam is wholly made in a country on another continent—yet the label still says, ‘Made in Australia’. That was a result of intense pressure by industry. I used the example a while ago of genetically modified organisms and how industry has done the wrong thing by the nascent regulatory processes here in Australia. On both sides of the Tasman, we must be mindful that consumers are concerned that, increasingly, the food industry is owned by multinational corporations outside their country. I do not suppose that Dick Smith is going to be appointed as the representative of international trade.

You bet that somebody with the interests of the multinationals is going to be appointed to that position. Make sure of this: Senator Tambling says, ‘It’s optional—we’ll just put international trade there as one of the interests that could be represented.’ Be sure that, as soon as you put that interest there, the companies will ensure that they have somebody represented on the board to keep their trade interests at the fore, as against the interests of public health and food safety, and somebody else will be knocked out. This whole formula is set up to facilitate the big corporations against the public interest. It is a bad process. We should have stuck with the formula that we had. If we are going to get information on things such as biotechnology, we should be defining what sort of information we are going to get. Again, it is obvious that there is going to be lobbying pressure in this place and no doubt in Wellington—they will have a lot more trouble in Wellington—I can tell you, if only because the seven Greens are sitting there in the balance of power—to have somebody representing biotechnology from a corporate point of view.

This whole set-up is against the consumer interest. It is weakening the interests of the citizens whom we are here to represent and it is strengthening the hand of the corporate sector. That is why the Greens next amendment will remove those categories that promote business—catapult business—onto this board where they have no business, if we are to see the board as primarily and essentially one of protecting the consumer interest.

The CHAIRMAN—The question is that government amendments Nos 1 and 2 on
The committee divided. [10.51 a.m.]
(The Chairman—Senator S.M. West)

AYES

29

Majority……… 5

NOES

34

The CHAIRMAN—Senator Brown, are you planning to continue with your amendment No. 2 on sheet 2202 as an amendment to Democrat amendment No. 14, which has just been—

Senator BROWN (Tasmania) (10.55 a.m.)—Yes. I move:

(2) Schedule 1, item 118, page 35 (line 21), omit paragraph (d), substitute:

(d) 2 members who have backgrounds in consumer rights;

I just reiterate that the point of the Greens amendment here is to restore the intent of the legislation as it was established 10 years ago—to protect the community interest when it comes to public health and food safety. We believe that the council should be made up of people with expertise in public health, food science, human nutrition, government and food regulation but not from the list of the five categories of business, including international trade, which has now come into the matter and which is going to predominate—you can bet that it will predominate—on this council when it gets going.

I ask the minister again: what is meant by international trade? Whose interests are being fostered by having someone in international trade put on the council? We believe that category ought to be eliminated. The other business categories there are going to inevitably favour the multinational corporations, who more and more are taking over the Australian and New Zealand food industries and influencing what happens, including what the contents are, how they are labelled and how consumers are able to relate to them. There is a whole host of issues involved in food which I am not going to divert the committee on now. But this really should be a council which is there in the community interest. If the Greens amendment is upheld, it will be; if the Greens amendment is not upheld, it will not be. It is as simple as that. I commend this amendment—which will concentrate the council membership to those representing public health, food science, human nutrition, government and food regulation—to the committee. It should be passed.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (10.58 a.m.)—The board is to be agreed by all ministers,
and board members have to act ethically as directors in accordance with the ANZFA Act, the primary objective of which is the protection of public health and safety. The Democrats amendment which was just accepted includes only two members with industry expertise. We are certainly keen to ensure that all standards are based on expertise and ethics.

The government has retained on the board a mandatory member with a consumer rights background. In addition, expertise in consumer rights is also on the discretionary list and that means that appointment of additional members with a consumer rights expertise can be made. As I said earlier, I take note of the issues raised by Senator Brown and I am sure that future ministers will also do so.

Senator BROWN (Tasmania) (10.59 a.m.)—When I referred earlier to the council, I meant the board. Minister, will there be a requirement on board members to disclose pecuniary interests to the public?

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (10.59 a.m.)—Yes, all material interests.

Senator BROWN (Tasmania) (10.59 a.m.)—In what way will that interest be disclosed?

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (10.59 a.m.)—I would refer Senator Brown to the legislation. It is in the legislation, and it covers all material interests.

Senator BROWN (Tasmania) (11.00 a.m.)—I thank the parliamentary secretary for his answer. As we now have an amended piece of legislation which says that there will be two people from the food industry, I ask the parliamentary secretary what the point is of having five different categories from the food industry if the government is not going to support this amendment.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (11.00 a.m.)—I think it is important to note that the categories are to give guidance in the particular area. Whilst we certainly have the numbers stipulated, the legislation also embraces the types of areas that should be considered for nomination.

Senator BROWN (Tasmania) (11.00 a.m.)—Could the parliamentary secretary tell the chamber what expertise in international trade is required on this board? Could he give a short homily on international trade and why it is required that it be represented on this particular board?

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (11.01 a.m.)—As I have said before, there is no stipulation that someone from international trade will be appointed. In garnering the nominations, people can be drawn from many diverse areas. I would imagine there would be people from within the bureaucracy, within industry, within academia and within the consumer movement who have a very good understanding of international trade. When we address someone’s CV or look at their background, I am sure we would be able to recruit—if that was the intent—or certainly consider people who have a thorough understanding. It may well be that one of those nominees might be Senator Brown on some future occasion. I am sure he would have a very good understanding—albeit, Senator Forshaw and I might have certain differences with his qualification. While I do not think I want to set out what particular criteria would apply, it would certainly be a person experienced and well versed in the area of international trade, whether it be from the Green left or from a different side of the political spectrum.

Senator BROWN (Tasmania) (11.02 a.m.)—The parliamentary secretary is persuading me by degrees. I gather from that that the parliamentary secretary would be interested—like I would be—in knowing whether this expert in international trade is going to have her or his mind focused on the fact that these days the average piece of food travels, I understand, 3,000 kilometres before it gets to our mouths and in most cases is well able to be substituted by a local piece of produce. The conveying of food around the world under the free market is an enormous
impost on global warming because of the transport costs. It is totally unnecessary and totally against the interests of local food producers. I doubt that was exactly what was meant by the people who designed this legislation when they said that they wanted somebody who is representing international trade.

Senator Tambling, while I hope you will convey to the Prime Minister or the Minister for Health and Aged Care my willingness to help select somebody to go onto the board to advise on international trade—and if I am not available, I am sure I can find somebody who would be very handy at it—I do not think that is really what you had in mind when you put in this provision. I commend the Green amendment to the committee.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (11.04 a.m.)—I will briefly respond. While Senator Brown and I might be competing for various board appointments in our retirement, it will be interesting to see how they come. The issue he introduced with respect to the movement of food is rather interesting. I note that Hobart and Darwin are further than 3,000 kilometres apart. If I want to select organically green produce from Tasmania for my food market, I would sincerely hope that it would be available. Likewise, if any Tasmanian consumer would like genetically modified or otherwise produced product from the Ord or from the Northern Territory, I hope it would be available and appropriately approved. Similarly, once the new rail goes from Darwin to Melbourne and we can get produce across to Tasmania, there will be a lot of very important Asian food imported through Darwin, which I am sure will be taken up by Senator Brown.

Going to the issue that Senator Brown seriously raises with regard to the expertise of people for appointment or consideration, I think it is well known that people who are nominated and appointed often hold multiple expertise at the level of qualification that is very often looked at. It is also important to note that these board appointments would be considered by the respective jurisdictions in the states and territories. While Senator Brown and I probably have a different view, I think it is important in looking at the relative issues relating to international trade to note that this is certainly a topic that is vastly in Australia’s interests. It is a point from which we should not resile in taking into account an understanding of the various issues.

I appreciate that Senator Brown has a very deep suspicion, but I often ask why. Maybe he has outlined in debates in this chamber issues with respect to that. I do not share that deep suspicion. I would always, in exercising any ministerial discretion in looking at the expertise of anyone nominated for appointment at this level, look at the ethical considerations as well as the particular qualification that a person would bring to such a board. I believe the competition that would naturally arise in considering people for this area would weed out the people Senator Brown would not consider as appropriate appointments. I am not aware that Senator Brown has criticised previous appointments, and I would hope that governments will not give him reason to do so in the future.

Senator GREIG (Western Australia) (11.06 a.m.)—I acknowledge the intent of what Senator Brown is seeking to achieve here, but I note that Democrat amendment (16), which comes a little later on the running sheet and which would have the effect of placing a second person on the board with expertise in consumer affairs, is perhaps a better way to achieve this outcome. I understand that that particular amendment has opposition support. So, on this occasion, we will not be supporting Senator Brown’s Greens amendment No. 2, but I draw his attention to the possibility of the later amendment that I have referred to perhaps achieving what he is seeking, and I would ask for his support then.

Senator FORSHAW (New South Wales) (11.07 a.m.)—I wish to put on the record that our position is the same as that of the Democrats. We believe the matter will be covered by a later amendment.

Senator BROWN (Tasmania) (11.07 a.m.)—So the Greens stand alone on this—but I would again point out that what we are standing for is the public interest. There is
provision on this board for a representation by big business, which is new, which is going to be powerful and influential and which represents not just the food industry and small business but also international trade and the multinational corporations. This is the opportunity to stop that influence from getting in there. Senator Tambling used the word 'paranoia'—and I forget what the other one was but I know he meant them in a positive sense, if my imagination can extend that far. But the reality is that we have a choice here between the big industry representatives, whose motive, Senator Tambling, is profit, and the consumer interests, whose motive is public health and safety.

Insofar as even the Democrat and Labor amendments go, they allow what was previously a board devoted to the public interest to now become a board subject to the interests of the big end of town and the profit motive. I think that is the wrong way to go. The Greens believe that the previous tenor and make-up of the board for the consumers was the right one. The concession to big business is not a good one. They have enormous lobbying ability on the outcome of policy in both Canberra and Wellington anyway. This particular legislation is about food and it is about consumers' right to know that the law will be wholly on their side. That is why I stand by this amendment. I am sorry that the Democrats and the Labor Party are not supporting it.

The TEMPORARY CHAIRMAN (Senator Sherry)—The question is that Greens amendment (2) to Democrat amendment (14) be agreed to.

Question resolved in the negative.

The TEMPORARY CHAIRMAN—The question is that Democrat amendment (14), as amended, be agreed to.

Question resolved in the affirmative.

Senator FORSHAW (New South Wales) (11.10 a.m.)—We will not be moving opposition amendment (32), for the reasons we outlined earlier.

Senator GREIG (Western Australia) (11.11 a.m.)—I seek the guidance of the Clerk. I suspect that Democrat amendment (15) may in fact be consequential on Democrat amendment (17). If that is the case, it is probably more efficient for me to seek leave to deal with amendment (17) first.

The TEMPORARY CHAIRMAN—I am advised that we should deal with amendment (15) now because there is an opposition amendment to your (15). So we will proceed with Democrat amendment (15) first.

Senator GREIG (Western Australia) (11.12 a.m.)—I move Democrat amendment (15):

(15) Schedule 1, item 119, page 35 (line 23) to page 36 (line 2), omit the item, substitute:

119  Subsection 40(2)

Repeal the subsection, substitute:

(1A) A member mentioned in paragraph (1)(a), (c), (d), (e), (f) or (g) is to be appointed by the Minister in accordance with a code of practice determined under section 40A.

(1B) The Minister may appoint a person as a member mentioned in paragraph (1)(a), (d), (e), (f) or (g) only if the Council has agreed to the appointment.

(2) Before appointing a person as a member mentioned in paragraph (1)(c), the Minister must consult with the Council.

This amendment, to which I have referred earlier in the discussions, essentially has the intent of ensuring a straightforward process that would require the minister to consult and achieve agreement with the council on appointments. I think that is clear and has merit, and I would ask the committee to support that.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (11.12 a.m.)—This is an issue that again relates to the composition of the board, and I note that the Democrats wish to prescribe by a code of practice how ministers would appoint their members of the board. The intergovernmental agreement provides that all ministers agree to the majority of the board membership. The act, currently and as proposed, requires appointments to be made on the basis of specified skills. Board members are subject to the full force of the Commonwealth Authorities and Companies Act, which prescribes the responsibilities of directors. The
Senator FORSHA W (New South Wales) (11.13 a.m.)—I move opposition amendment (2) on sheet 2206:
(2) Amendment (14), omit subsection 40(1A).
This is an amendment to Democrat amendment (15) just moved by Senator Greig. On the basis that our amendment is accepted by the Democrats, we would be happy to support their amendment.

The TEMPORARY CHAIRMAN—The question is that opposition amendment (2) to Democrat amendment (15) be agreed to.

Question resolved in the affirmative.

The TEMPORARY CHAIRMAN—The question is that Democrat amendment (15), as amended, be agreed to.

Question resolved in the affirmative.

Senator GREIG (Western Australia) (11.14 a.m.)—I move Democrat amendment (16) on sheet 2198:
(16) Schedule 1, item 120, page 36 (lines 3 to 18), omit the item, substitute:

120 Subsections 40(3) and (4)
Repeal the subsections, substitute:

(a) The Minister may appoint a person as a member mentioned in paragraph (1)(a), (c) or (f) only if:
(i) public health;
(ii) consumer affairs;
(iii) food science;
(iv) food allergy;
(v) human nutrition;
(vi) medical science;
(vii) microbiology;
(viii) government;
(ix) food regulation; and
(b) the person has been nominated by a professional association prescribed by the regulations for the purposes of each subparagraph in paragraph (a).

(4) The Minister may appoint a person as a member mentioned in paragraph (1)(g) only if:
(a) the Minister is satisfied that the person is suitably qualified for appointment because of expertise in one or more of the following fields:
(i) the food industry;
(ii) food processing or retailing;
(iii) primary food production;
(iv) small business;
(v) international trade; and
(b) the person has been nominated by a professional association prescribed by the regulations for the purposes of each subparagraph in paragraph (a).

120A Transitional—making of regulations for the nomination of Board members
(1) A power conferred by paragraph 40(3)(b) or 40(4)(b) of the Australia New Zealand Food Authority Act 1991 to make regulations in relation to the nomination of persons for selection as members of the Board may be exercised before the commencement of those provisions as if those provisions had come into operation.

(2) Subitem (1) has effect despite anything in the Acts Interpretation Act 1901.

I have already spoken at some length on this point, and I do not propose to go over that ground again. I simply ask for committee support for the amendment.

Senator FORSHA W (New South Wales) (11.14 a.m.)—by leave—I move opposition amendments (3), (4), (5) and (6) on sheet 2206, which are amendments to Democrats amendment (16):
(3) Amendment (16), omit subparagraphs 40(3)(a)(viii) and (ix), substitute:
(viii) food safety;
(ix) biotechnology;
(x) veterinary science;

(4) Amendment (16), paragraph 40(3)(b), after “association”, insert “or public body”;

(5) Amendment (16), at the end of paragraph 40(4)(a), add:
(vi) government;
(vii) food regulation;
Amendment (16), paragraph 40(4)(b), after “association”, insert “or public body”.

I understand that these amendments are acceptable to the Democrats and, on that basis, we will be happy to support their amendment (16) after our amendments have been put.

Amendments agreed to.

The TEMPORARY CHAIRMAN—The question now is that Democrats amendment (16), as amended, be agreed to.

Question resolved in the affirmative.

Amendments (by Senator Greig)—by leave—proposed:

(1) Clause 2, page 1 (after line 11), after paragraph (a), insert:

(aa) item 120A of Part 1 of Schedule 1;

(2) Clause 2, page 2 (line 1), after “Schedule 1”, insert “(other than item 120A)”.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (11.16 a.m.)—These Democrat amendments relate to the date of commencement, and the government opposes them. The government’s position is that the substance of the bill comes into effect when the amendments to the treaty with New Zealand commence and when the ministerial council has had time to consider and select the board of the new authority. I note that there is already a person with consumer expertise on the board and that there is no evidence of difficulty in the workings of the board. This partial approach to appointment of the board is an example of a series of proposed amendments which appear unworkable and confusing. Whilst I strongly support good consumer representation, I cannot support these amendments.

Amendments agreed to.

Senator BROWN (Tasmania) (11.18 a.m.)—I move Greens amendment (3) on sheet 2202:

Schedule 1, item 120, page 36 (lines 14 to 18), omit subsection 40(4).

I will not go through the argument again. I have put quite strongly to the committee that I do want to have this amendment moved, and I note that the other parties are opposed to it. This is an amendment to ensure that the board is made up of representatives who are acting in the community’s interest on food safety and health and does not have a component which represents the business interests that is able to intrude upon or override the consumer interest.

Amendment not agreed to.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (11.19 a.m.)—The government was to move government amendment (1) on sheet XX205, which has now been essentially superseded by other amendments. The amendment would have enabled the minister to appoint—in addition to the mandatory position for a person with expertise in consumer rights—an additional person with expertise in consumer rights as chair of the board, as one of the New Zealand nominees to the board, or to any of the remaining positions on the board other than that reserved for the chief executive officer of ANZFA. I withdraw the amendment.

Senator GREIG (Western Australia) (11.20 a.m.)—I move Democrat amendment (17) on sheet 2198:

Schedule 1, page 36 (after line 28), after item 124, insert:

124A After section 4D

Insert:

40A Procedures for appointment of Board members

(1) The Minister must by writing determine a code of practice for appointments to the Board that:

(a) sets out general principles on which appointments are to be made, including, but not limited to:

(i) merit; and

(ii) independent scrutiny of appointments; and

(iii) probity; and

(iv) openness and transparency; and

(b) sets out how these principles are to be applied to the selection of persons nominated in accordance with section 40 as members.

(2) The code of practice must include a requirement for any person appointed to make a declaration if he or she is a member of a political party.
After determining a code of practice under subsection (1), the Minister must publish the code in the *Gazette*.

Not later than every third anniversary after a code of practice has been determined, the Minister must review the code.

In reviewing a code of practice, the Minister must invite the public to comment on the code.

A code of practice determined under subsection (1) is a disallowable instrument for the purposes of section 46A of the *Acts Interpretation Act 1901*.

The core of this amendment is to demonstrate again the Democrats’ commitment to transparent and accountable government. On 17 occasions prior to this debate, we have moved amendments similar to this seeking to ensure that all ministerial appointments are made on the basis of merit. Our amendments seek to turn over the anachronistic ‘jobs for the boys’ phenomenon. No government, no matter how good its intentions, can deflect the public perception of such appointments as being rewards for party hacks or others who have assisted the government to gain office. This perception can damage the reputation of these bodies as, in the public eye, they are seen as being controlled by people who lack the appropriate independence and may not be as meritorious as they might otherwise be.

The Australian Democrats are concerned to ensure that, wherever appointments are made to the governing bodies or public authorities, whether they be institutions set up by legislation, independent statutory authorities or quasi-governmental agencies, the process by which these appointments are made is transparent, accountable, open and honest.

This amendment requires the minister to determine a code of conduct for the making of appointments to the Food Standards ANZ board by ministers. This code of conduct will establish strict rules requiring that appointments be made on merit and providing the necessary openness and accountability in relation to ministerial appointments. I point out now that this is the 18th time that we Democrats have put up an amendment designed to compel ministers to make appointments on merit, yet such amendments have been consistently opposed by the opposition and government. If these amendments fail to be supported by both parties, let the record show once again that transparency, accountability and merit are not considered goods worth defending by the government or the opposition. I hope that on this occasion the amendment and the philosophy contained within it attract committee support.

Senator FORSHAW (New South Wales) (11.22 a.m.)—The opposition will not support this amendment. I want to place it firmly on the record that the opposition supports transparency and openness and appointments on the basis of merit. We always have and we always will. I can further assure Senator Greig that, when we are in government in the near future, we will ensure that appointments that our government make will be based on merit. However, we cannot support this amendment, because it simply takes this one bill in isolation and seeks to introduce a code of practice for appointment of board members to this legislation.

The opposition have indicated in the past, in relation to similar Democrat amendments, that we believe a whole of government approach is required for the issue. It should not just be dealt with piecemeal as the Democrats have attempted to do when legislation comes before this parliament. We support a whole of government approach, and that is the approach we will be adopting when we get into government. We cannot support the amendment on this occasion, but I do want to stress that this argument—this sophistry that we hear generally, not from Senator Greig but from another senator who is present—that if you do not happen to support their particular amendment you do not support the principle, is a false argument. We strongly support the principles, but we believe that there are better ways to achieve it. That will be the approach we adopt in due course.

The TEMPORARY CHAIRMAN (Senator Sherry)—I thought that might see you respond, Senator Brown.

Senator BROWN (Tasmania) (11.22 a.m.)—I agree with the Democrats. For at least the second time in this discussion,
Senator Forshaw is saying, ‘Trust us. We’ll vote down a Democrat move to have a code of ethics brought into the operation, but we’ll institute it if we get into government.’ Nobody believes that. Senator Greig has said that this is the 18th time that the Democrats have moved to have such a code of ethics apply so the public not only can be told what is going on but can see for themselves what is going on. This is the 18th time that the big parties have turned it down, so the argument by Labor that it would be a once-off in this piece of legislation is specious. The government said in the course of this debate earlier this morning that people on the board will have to act ‘ethically’ but, when the Democrats come up with guidelines for those ethics, the government says it will vote them down. That is total inconsistency.

It is time the big parties invested in legislative requirements for standards of behaviour. I thought that the HIH debacle, which is affecting people right across the country at the moment, might have stimulated at least the opposition—and surely the government as well—into saying, ‘Here’s an authority which also is going to give advice in the interests of all Australians.’ Both sides say that board members will have to act ethically, and then they leave it to a statement hanging in the breeze. When the Democrats say, ‘Let’s write it down; let’s make it part of the law,’ the big parties back off. It is time you supported amendments like this Democrat amendment which gives effect to what you say you mean, instead of leaving it hanging in the breeze. You would get a lot more public respect if you did that.

If you say that the board members will have to act ethically, be fair to them—give them the code right in front of their faces so they know what the rules are, instead of just leaving it to some hope that, in the next 100 years of the operations of a board like this, nobody will stray. You are doing the board members, as well as members of the public, a favour by making it clear what you mean when you say they will have to act ethically. The Democrat amendment is a very important amendment. It should not be dismissed just because they have tried to do it before and failed because you have opposed it. It should get new consideration, given the circumstances in which we are dealing with this legislation. The Greens totally support this Democrat amendment.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (11.28 a.m.)—The government does not support the Democrat amendment. In fact, on behalf of the existing members of the Australia and New Zealand Food Authority board and any likely appointments to the future FSANZ board, I take umbrage at the comments of both Senator Greig and Senator Brown. I am not aware that the Democrats or Senator Brown have ever come into this place and laid on the table any accusations of impropriety or inadequacy or conflict of interests of any members of the ANZFA board, who were appointed by either the former Labor administration or the current coalition administration. I and Minister Wooldridge have certainly been very mindful with regard to any board appointments of any of the statutory authority or advisory bodies within the health portfolio. I have not yet heard any accusations levelled in this place that go to what I call these deep suspicions and conspiracy theories that constantly come from Senator Brown and the Democrats without any proof or any evidence.

It is a pity that with this statistical grandstanding the Democrats seem to want to put up a scoresheet of regurgitating and repeating particular statements of what they consider to be Democrat gospel and to insist that that be applied in all legislation. I believe there is transparency and there are appropriate guidelines and audit areas that apply to all board members, who are subject to the full force of the Commonwealth Authorities and Companies Act with regard to the prescribed responsibilities of any directors appointed in this area. Certainly ministers of the Commonwealth, New Zealand or state and territory jurisdictions are very mindful of the criteria and the qualifications and credibility of all members in this particular area. For that reason, again I state that the Democrat amendment is overlapping, confusing and totally unnecessary, and will not be supported.
Senator BROWN (Tasmania) (11.31 a.m.)—I just want to paraphrase that, if I can: ‘Wait until something goes wrong before you act.’ That is what is wrong with the government and the Labor Party opposition to this amendment. The Democrats are saying, ‘Let’s act. Let’s be fair to the board members: let’s lay down the ethics with which they will act before something goes wrong,’ to keep that noble record going that the minister talks about. The idea that you wait until something goes wrong before you act in the public interest is of course nonsense. What Senator Tambling just put up was no defence of the government’s opposition to this amendment.

Senator GREIG (Western Australia) (11.32 a.m.)—I would add to that. Contrary to the implications that the parliamentary secretary raises, the purpose of this amendment and this process is not to provide some kind of mechanism to expose and expel members of the board who may have some pecuniary interest or lack of merit that does not warrant their inclusion on the board, but rather to set a standard. It is to provide for the future and, as I see it, that is what we do with each and every piece of legislation that we deal with here on a daily basis. There is no suggestion from me or the Australian Democrats that those people currently involved with this industry are somehow woefully inadequate. But when you are dealing with an issue as controversial and as sensitive as food safety and safety standards, the public need not only to feel assured but to be assured in legislation that they can have faith and respect in such an institution. I think this amendment goes some considerable way towards ensuring that.

Amendment not agreed to.

Senator FORSHAW (New South Wales) (11.33 a.m.)—by leave—I move Labor amendments Nos 34 and 35 together:

(34) Schedule 1, item 126, page 37 (lines 1 and 2), omit the item, substitute:

126 Subsection 41(2)

Repeal the subsection, substitute:

(2) A member holds office for a period of 4 years.

(35) Schedule 1, page 37 (after line 4), after item 127, insert:

127A At the end of subsection 41(4)

Add “for a second term but must not be reappointed for a third or subsequent term”.

These amendments relate to the term of appointment. We propose to amend this legislation to ensure fixed terms of appointment for board members of four years, with a maximum of two terms to be served concurrently. We believe that the recent example of political interference that went on with the dumping of the Pharmaceutical Benefits Advisory Committee is just the sort of situation that requires these amendments to be moved in regard to the authority—that is, to provide for fixed term appointments of four years. This will provide certainty for the members of the board themselves and reassure the Australian public that such members of the board can carry out their duty without the fear of being dumped or being removed at the will of politicians or ministers who might wish to push their own agenda—that is something that I can assure the committee will not of course be the case under a future Beazley government. As this government still has a few months to run, we do not want to see the situation that occurred with the PBAC occur with the food safety authority. The amendments will provide for greater transparency and, most importantly, independence of the operation of the regulatory bodies.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (11.35 a.m.)—I would like to point out that, if this amendment is agreed to, it should preferably read ‘not exceeding four years’. This is the wording that is used in other acts, including the National Health and Medical Research Council Act 1992. Otherwise, it strays into workplace diversity issues because it would provide that any member would have to agree to serve exactly four years. The specification of such a fixed term would not allow the recruitment of the best person for the job if the best person is unable to accept the position because they are unable to commit to serving on the board for that exact time.
frame. I would ask Senator Forshaw to consider that particular aspect.

Senator FORSHAW (New South Wales) (11.36 a.m.)—I take it from the parliamentary secretary that you are supporting the amendments?

Senator Tambling—I would prefer to put in the words ‘not exceeding’.

Senator FORSHAW—I do not have any advice at this stage on that point you have raised. As I understand it, if the government supports our amendments, there would still be an opportunity to pick up the point at a later stage if it is necessary. I am not so sure that it is necessary. I will need to take some advice on it. I would prefer to keep the amendments as they are for the moment and, if necessary, deal with any further amendment to them at a later stage.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (11.37 a.m.)—I take note of the point that Senator Forshaw made. As I said, if there is a further opportunity to consider this on a future occasion—and it is a very fundamental point in light of a number of the amendments—that is one of the issues that I will flag and the government will want addressed.

Senator GREIG (Western Australia) (11.38 a.m.)—As Senator Forshaw has outlined, the amendments really work to restrict members of the Food Standards ANZ board to no more than two four-year terms. I feel that that is appropriate. The Democrats generally do not think that it is in the best interests of any board—or of the nation, for that matter—to have members serving on it for literally decades, and yet that is the case on at least one board of which I am aware. Board membership should not be seen as some kind of eternal prospect or endless birthright. I think fresh blood and new ideas are both necessary and appropriate. To that extent we support these amendments.

Amendments agreed to.

Senator FORSHAW (New South Wales) (11.39 a.m.)—by leave—I move opposition amendments Nos 36, 37 and 38 together:
(36) Schedule 1, item 128, page 37 (after line 28), at the end of the item, add:

(8) The Minister must not appoint a person as the Chairperson if, at any time during the period of 2 years immediately before the proposed period of appointment, the person was employed by, or had a pecuniary interest in, a body corporate whose primary commercial activity relates directly to the production or manufacture of food.

(9) The Minister must not appoint a person as a Chairperson if the person has a pecuniary interest in a body corporate whose primary commercial activity relates directly to the production or manufacture of food.

(37) Schedule 1, page 39 (after line 6), after item 141, insert:

141A At the end of section 50
Add:
(5) The Board must establish and maintain a system for the declaration and registration of material personal interests of its members.

(6) The entries recorded in the register of members’ interests must be published by the Board on the Internet.

(38) Schedule 1, page 39 (after line 16), after item 146, insert:

146A At the end of section 52A
Add:
(3) The Minister must not appoint a person as the Chief Executive Officer if, at any time immediately before the proposed period of appointment, the person was employed by a body corporate whose primary commercial activity relates directly to the production or manufacture of food.

(4) The Minister must not appoint a person as a Chief Executive Officer if the person has a pecuniary interest in a body corporate whose primary commercial activity relates directly to the production or manufacture of food.

These amendments relate to the issues of regulation of interests and conflicts of interest. I will firstly address amendments Nos 36 and 38. These two amendments reflect similar amendments that were put forward by the opposition and were adopted in respect of the Gene Technology Act. They relate to conflict of interest considerations and reflect our strong view that, in order to ensure the con-
confidence of the Australian public in the regulator, those who have the responsibility for leadership—in this case, the chief executive officer and the chairperson of the board—must not only be independent but also be seen to be independent of conflicting interests. To achieve this, our amendments ensure that the minister cannot appoint a person to either position who, in the two years prior to the appointment, has worked for or has had pecuniary interests in a body corporate whose primary commercial activity relates directly to the production or manufacture of food.

Our amendment No. 37 is also put forward in the interests of greater transparency. We propose that, just as with the Food Standards Agency review in the United Kingdom—which was set up in response to the findings of the Phillips report into the BSE disaster—in this case all members of the Food Standards Australia New Zealand board will have to agree to post all their relevant personal interests on the FSANZ website. This will allow an opportunity for the public to access such information and, we believe, will engender greater confidence in the regulator.

Senator GREIG (Western Australia) (11.41 a.m.)—The amendments moved by the opposition do attract our support. I note that, for example, the next Democrats amendment on our running sheet deals with the disclosure of interests, so our proposal there is complementary to what Labor is proposing here in terms of conflicts of interest and regulation of interest. We welcome this amendment and reiterate that we think it is critical that our food standards authority enjoys the utmost public confidence. These amendments go some way further to strengthening the bill, and we therefore support them.

Amendments agreed to.

Senator GREIG (Western Australia) (11.42 a.m.)—I move Democrats amendment No. 18 on sheet 2198:

(18) Schedule 1, item 140, page 39 (line 4), after “interest”, insert “, including an interest in relation to academic or research associations of the member.”.

As I stated a moment ago, this amendment goes some way towards strengthening the bill, particularly the current proposed section 50 on disclosure of interests, by incorporating the provisions of the Commonwealth Authorities and Companies Act 1997. This amendment seeks to add clarity to the bill’s provisions for disclosure of interests by directly specifying the disclosure of academic or research associations. There is a question as to whether this is redundant if academic or research associations are captured by the term ‘material personal interest’. Advice prepared on this matter by the Australian Government Solicitor makes it clear, however, that in many cases ‘material personal interest’ would capture an academic or research association. However, the advice does allow:

If it is possible to envisage cases in which an academic or research body or association might stand to gain in various ways from a decision of the authority—for example, by the award of a consultancy—and for a member to gain consequentially from such a decision, either personally or professionally, as a member of the body or association...

Moreover, I think the advice suggested that the gain to a member need not be pecuniary or possibly pecuniary but could take the form of increased professional standing or even access to research information. Consequently, we Democrats believe that this amendment is prudent and reinforces the desire to ensure a very high level of public confidence in Food Standards ANZ, and I seek committee support for it.

Senator FORSHAW (New South Wales) (11.44 a.m.)—As Senator Greig has outlined, the amendment has been put forward by the Democrats in the event that the Commonwealth Authorities and Companies Act 1997 requirements re disclosures of material personal interest do not cover an interest in relation to academic or research associations of the member. Advice provided by the government from the Government Solicitor’s office on the issue is not clear. They con-
clude that there are cases where a member would not have a material personal interest merely because he or she was a member of or had some other connection with an academic or research body or association, although it is possible that they may. The test is whether the membership or connection could sensibly be regarded as capable of influencing a member in the discharge of his or her duties. Given this advice, it would seem that such interests would need to be disclosed, or should be disclosed anyway, in order for the board to make a decision as to whether the interests pass the test. It would seem that, in this case, the amendment moved by the Democrats would be a useful clarification and provide a mechanism for the test to be applied. We are therefore prepared to support the amendment.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (11.46 a.m.)—The bill brings the act in line with the provisions set out in the CAC Act. The CAC Act overrides the ANZFA Act with regard to this issue and disclosure is well set out in the CAC Act. The provisions of the Commonwealth Authorities and Companies Act contain a requirement in section 27F that board members are required to notify of any material personal interest. Advice from the Australian Government Solicitor confirms that academic or research connections and interests are covered by the requirement to notify any personal interest. The bill proposes that section 50 of the ANZFA Act be amended in order to remove the inconsistency with the CAC Act and to remove any doubt that the more onerous responsibility for reporting of interest is required—that is, the CAC Act requirement. Any additional amendments to include research or academic interests or connections would be just duplicating what is already covered in the CAC Act. However, the government supports full disclosure of board members’ interests, but provisions which are not consistent with the CAC Act are simply confusing.

Amendment agreed to.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (11.47 a.m.)—The Senate has considered many amendments over the past two days. Some issues, such as strengthening consumer interest representation and other public health and food science on the board, are not only workable but also accepted by the government. The government is working towards a better system, providing for a new paddock-to-plate approach in setting food standards, improving communication and coordination across health and other ministries, placing the responsibility for standard setting with the board—based on their expertise—and giving ministers authority to set the policy framework to guide the authority and to review and reject or amend all standards in a transparent and structured way. This system would be a substantial step forward. It is supported by all Australian state and territory governments, including Labor governments, and New Zealand.

In these circumstances, it is a great pity that the opposition has forced some unworkable and unacceptable changes—unacceptable not only to the government but to all governments. Unworkable and unacceptable amendments include the requirement that policy principles developed by the ministerial councils of all governments would be subject to the Australian Senate’s scrutiny. It usurps state and territory government powers, it destroys the trans-Tasman treaty and it misunderstands Senate powers. It is a low point in federation. What a gift to the nation after 100 years. Similarly, the amendment to require all ministers, rather than just a majority, to respond either positively or negatively to a standard proposed by the authority gives any one government a total veto of power.

This government supports majority decisions and an agreed system to encourage prompt and transparent response. The amendment takes away majority decisions and takes away transparency. No responsible government can support this now. I would like to emphasise that that government does not need legislation to implement the bulk of the reforms. It would be better to have no legislation than to put in place what has been passed in this chamber. There will need to be
serious consideration given by the government—and, I hope, by the Labor Party and the Democrats—to the original intent of the intergovernmental agreement and how it has been affected by the amendments that have been put in place here in the Senate.

Bill, as amended, agreed to.

Bill reported with amendments.

Adoption of Report

Motion (by Senator Tambling) proposed:

That the report from the committee be adopted.

Senator BROWN (Tasmania) (11.51 a.m.)—I move:

(1) At the end of the motion, add “but that further consideration of the bill be postponed till the day after the day on which the Minister representing the Minister for Health and Aged Care tables in the Senate a statement informing the Senate that complementary legislation has been introduced in the Parliament of New Zealand”.

Ms Sue Kedgley, who is the New Zealand Greens spokesperson on these matters in the New Zealand parliament, has informed me that this matter will not be brought before the New Zealand parliament in legislative form. The minister has told us that there will be a treaty arrangement between the two countries which implements the legislation we are dealing with. It would seem again to be democratically sound, as far as the New Zealand side of things is concerned, for the New Zealand parliament to also be involved in complementary legislation. That is what my motion aims to do: say to the New Zealand government, ‘Bring in the complementary legislation. Let the New Zealand parliamentarians also endorse this legislation in the interests of a democratic outcome.’ Let them look at the debate that is taking place here, look at the amendments that are being made and, if necessary, ensure that New Zealand interests are well represented in the way that the parliament would want them to be.

In other words, let us not just have the executive in New Zealand determine this matter but have the parliament in New Zealand determine it in the interests of democracy. That is a very logical representation from the Greens in the New Zealand parliament. The best way we can ensure that we are not getting out of kilter with our friends in New Zealand is to support this motion. It simply says, ‘Well, let’s not proceed to finally pass it through this parliament until we know there’s complementary legislation before the New Zealand parliament.’ It is commonsense.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (11.54 a.m.)—Very obviously, Senator Brown is looking for a headline in tomorrow’s Wellington Times. That might be a place where he will attract considerable support from Ms Kedgley and a few others in that regard, but I give an assurance that the discussions that Minister Wooldridge and I have had with Minister King and the New Zealand government have all been consistent with regard to implementing these reforms. I do not think it is for this parliament to contemplate what should or could be addressed. That is a matter entirely for the New Zealand government and political people.

New Zealand and Australia have established an Australia New Zealand food standards system under the treaty which is known as the Agreement Between the Government of Australia and the Government of New Zealand Establishing a System for the Development of Joint Food Standards. This treaty is the mechanism whereby New Zealand has agreed to participate in this system. The treaty provides that:

The Australia New Zealand Food Standards System will be based on an extension of the existing Australian system to include New Zealand.

The existing Australian system is comprised in the ANZFA Act and the related intergovernmental agreement. I believe it is up to New Zealand and not Australia to determine what mechanism New Zealand will use to participate in the Australia New Zealand food standards system.

Australia and New Zealand have both agreed to the treaty to reflect the new food regulatory arrangements. For the Australian Commonwealth parliament to dictate to New Zealand its method of participation in these arrangements would be singularly inappropriate. In addition, I think that it would be
extremely difficult to ensure exactly the same arrangements are reflected in legislation in both Australia and New Zealand. It is a matter of the appropriate jurisdictions dealing with the matter individually. I certainly do not support Senator Brown’s motion.

The ACTING DEPUTY PRESIDENT (Senator Knowles)—Senator Brown, there is no right of reply.

Senator Brown—I have done all right.

The ACTING DEPUTY PRESIDENT—The question is that Senator Brown’s motion be agreed to.

Question resolved in the negative.

Senator Brown—May I record that I supported that motion without support from anywhere else in the chamber.

The ACTING DEPUTY PRESIDENT—I would have thought that was noted, Senator Brown. The question now is that the report of the committee be adopted.

Question resolved in the affirmative.

Third Reading

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

GREAT BARRIER REEF MARINE PARK AMENDMENT BILL 2001

Second Reading

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

That this bill be now read a second time.

Senator BOLKUS (South Australia) (11.57 a.m.)—The bill before the Senate today concerns one of the most precious places in Australia, a world heritage site of international significance: the Great Barrier Reef. We know it as a wondrous underwater world full of diversity, colour and beauty. It is a world to wonder at which a lot of people enjoy and a lot of people explore. Most Australians see it as an area that needs protection. It is the world’s largest continuous coral reef complex. It extends some 2,500 kilometres along Australia’s north-east coast. It is one of the world’s living treasures. It is recognised by both a world heritage listing and by specific national and state legislation in Australia.

It is also one of the major contributions to the Queensland economy, generating annually some $1.5 billion through tourism and some $460 million through reef fishing. The reef was one of Australia’s first world heritage areas. It was listed for a number of reasons. It was listed because it is an outstanding example representing the major stages in the earth’s evolutionary history. It was listed as an outstanding example representing significant ongoing ecological and biological processes. It was listed as an example of superlative natural phenomena and was listed as containing important and significant habitats for in situ conservation of biological diversity.

The reef, as we know, is not a continuous barrier but rather a broken maze of coral reefs and coral cays with some 2,900 separate reefs, 940 islands and extensive areas of seagrass, mangrove, soft bottom communities and island communities. It is home to an estimated 1,500 species of fish and more than 300 species of hard reef building corals. More than 4,000 mollusc species and over 400 species of sponges have been identified on the reef. The reef also contains nesting grounds of world significance for the endangered green and loggerhead turtles. It is a breeding area for humpback whales which come from Antarctica to give birth to their young.

We have a responsibility to the reef. We have a responsibility not to love it to death. The reef currently faces significant threats from human activity, both on and off the reef, and it needs to be protected against them. According to the Global Coral Reef Monitoring Network, we have already lost 11 per cent of the world’s reefs, with some 17 per cent permanently damaged. The number of reefs lost is predicted to rise to some 60 per cent by the year 2020. While these figures in themselves are alarming, recent events also indicate that they may be conservative. The continuation of severe anthropogenic stresses from growing populations and economies and the shock that came with the 1998 mass bleaching event all indicate that urgent action is essential to conserve coral reefs.
In Australia’s case, I think it is fair to say that our reefs can be generally described as being in good condition, but we do have problems with the Great Barrier Reef. It is under a reef under threat—from a wide range of factors. It is under threat from overfishing and from the pressures of tourism, with some two million people visiting per annum and this figure growing at some 10 per cent per annum. It is under threat from agricultural and industrial run-off, with up to 28 mega-tonnes of soil clogging reef waters every year. Nutrient levels are between 150 and 380 per cent above natural levels. It is under threat from plagues of crown-of-thorns—about 17 per cent of the reef has been affected over the past 30 years. It is under threat from coral bleaching from warming waters as a result of climate change. It is worth noting there that inshore reefs suffered intense coral bleaching in early 1998. It is also under threat from oil and chemical spills.

I would like to comment about three issues before going to address the specifics of this legislation. Firstly, I think it is somewhat ironic that today we are passing this legislation, which incrementally advances protection of the reef, when we had a decision last night which will place the reef much more at risk than the government is letting on and which the public will tolerate. In the year 2000-01 some $10 million had been provided for the implementation of the East Coast Trawl Plan. It was a plan to assist in a move to ecologically sustainable fishing in the Great Barrier Reef. It does so through measures such as capping of the catch and reduction in effort, closure of non-trawled areas and mandatory use of bycatch reduction devices and turtle excluder devices. In this current year’s budget $10 million is provided. When you look at Budget Paper No. 2, page 106, you find the government essentially washing its hands of responsibility here. No money is provided for the next financial year—it goes from $10 million to nil. What do the government say? They say:

This is a department which in this budget suffers further cutbacks; a department which over the course of this government has suffered enormous cutbacks. What this government is saying is, ‘Look, we are not going to provide any specific funds for this program; go and find them in the broad environment department.’ That means go and get them from a department which last night had its resources cut. That is a total dereliction of responsibility. It is a dereliction of responsibility to good financial management, to good public administration, to this reef and to the whole range of programs that need to be continued under the East Coast Trawl Plan. This government is failing this reef at a critical time of its history.

That decision last night represents so many other environmental decisions that are embodied in last night’s budget. Last night we saw this government basically tossing in the towel on the environment. The spin is that they are going to spend another billion dollars on the Natural Heritage Trust. The reality is that funding under that trust is basically halved for this financial year—at least 35 to 40 per cent in reductions. Programs such as landcare—important programs for the long-term sustainability of Australian land—are being cut back. The government spin is, ‘We are going to find another billion dollars,’ but what they do not tell us is that much of the funding in the NHT for next year is a carryover from this year. The rest of it is basically funding at half the level that has been allocated in previous years—not just in the NHT but also in greenhouse. The funding in the greenhouse area is a carryover from last year. So you have a reduction in environment department spending.

If you take into account the fact that it has rolled over a couple of big, $100 million amounts into next year, you find that this government has basically not met its responsibility on environment not just in the forthcoming years but also in the last 12 months. Sure, it now has at its disposal a pork-barrel exercise. Tim Fischer let the cat out of the bag just a few weeks ago in his book where he identified government programs as pork-barrelling programs. This government will have a few hundred million dollars to spend
in the next few months to pork-barrel the electorate. Forget conserving the environment; what this government is about is conserving coalition members. What it is not about is good management, and what it is not about here is conserving the Great Barrier Reef.

As I say, $10 million was specifically deemed to be allocated a year ago in this area of protection of the reef with the East Coast Trawl Plan. Nothing is specifically dedicated for the next financial year. That should be of concern not just to all Australians but particularly to those Australians in whose interest it is to have sustainable long-term protection of the reef not just for enjoyment, heritage and environmental purposes but also because a sustainable reef is very much at the heart of the economic future of a large number of Queenslanders in particular.

Other issues that need to be addressed include the impact of pressures on the reef in relation to dugong mortalities. In 1997, Senator Hill announced a plan of management and a system of protected areas for dugongs, but the areas were smaller than those recommended by scientific experts and concerns were raised at the time that the government had watered down the management plans after intensive lobbying. Australia has a special responsibility to protect the dugong, being the only developed nation lucky enough to have dugongs. However, the most recent figures of dugong mortalities in the dugong protected areas show that the current system of management is failing miserably. The latest figures from the Queensland Parks and Wildlife Service show that dugong mortalities in Queensland have risen from 35 in 1996, to 68 in 1999, and 76 in 2000. This does not include strandings which did not result in mortality. There is no evidence to show that the protected areas are working. In fact, the evidence shows that the situation is getting worse.

It is the opposition’s view that it is now time for Senator Hill to honour his commitment to subject the dugong protected areas to an ongoing review. There is an urgent need for an assessment of the adequacy of the size of the areas, the netting practices, boat management in the areas and land-based activities impacting on dugong habitat.

The other issue of concern is the greenhouse issue and the effects of climate change on the reef. Research by the Australian Institute of Marine Science has shown that corals are currently close to their upper thermal limits. In 1998, there was widespread coral bleaching around the world at the same time as the warmest sea temperatures on record, both globally and in Australia. With climate change, bleaching events like those in 1998 will become commonplace. Great areas of the southern reef may die in the next 20 to 40 years, and of the northern parts of the reef within 60 years.

Climate change is real. Time is running out; yet Senator Hill and the Howard government are apparently content to hide behind the US and its opposition to the Kyoto protocol. They are putting the interests of President Bush and the four big oil companies before the interests, in this case, of the Great Barrier Reef. Only last week, Senator Hill questioned whether the next round of climate change talks in Bonn was really necessary. That is further evidence of the Australian government’s short-sighted approach to climate change.

The next round of talks will be in Bonn. They are important in relation to progressing the outstanding issues. The international community is not doing what Australia and the US are doing; it is not simply waiting for something to happen out of the blue; it is not waiting for the United States to reappear at the table. Things are moving forward. Australia must be part of the momentum, not just in order to achieve outcomes, but also to protect the Australian position at the table.

I must say for the record that, over the years, Labor governments have made significant achievements in the protection of the Great Barrier Reef. The original Great Barrier Reef Marine Park Act was introduced and passed by the Whitlam government in 1975. Under the Hawke government, significant sections were added to the marine park, including the far northern, central, southern, Townsville and inshore southern sections.
Other Labor initiatives over the years included regulations to prohibit oil drilling from areas of the Great Barrier Reef region outside the marine park. There were also regulations to control offshore structures in unzoned sections of the park. There was also the Crown of Thorns Starfish Advisory Review Committee and charges for commercial use of the marine park. There was a program to determine the origins and amounts of nutrients that enter the Great Barrier Reef Marine Park. The initiatives also included compulsory pilotage for any vessel longer than 70 metres or any vessel carrying oil or toxic cargo in the northern part of the reef or in the Hydrographer’s Passage, and penalties of up to $1 million for the deliberate discharge of oil into the Great Barrier Reef. There was also a 25-year strategic plan for the reef world heritage area and an environmental management charge charging operators $1 for each tourist travelling to the reef with funds going to the CRC for environmental sustainable development on the Great Barrier Reef at James Cook University.

The reef has evolved over hundreds of thousands of years. As I said before, it is the world’s most extensive coral reef system and one of the world’s richest areas in terms of biodiversity. We believe that it is the responsibility of current and future governments to ensure that this natural asset is not destroyed. This bill is an incremental step in the protection of the reef and we support it. I indicate at this stage that we support the amendment to be moved by the Australian Democrats in respect of sewage spillage on the reef. In respect of the amendment from Senator Brown, which was foisted on us this morning, we are not able to support that now, but it relates to an issue to which we will give consideration, particularly over the next few months.

In respect of the Democrat’s amendment, sewage is a problem which is tackled well by the fishing industry in Australia in some parts, but not so well in others. For example, in South Australia recently the Stehr Group was awarded a rating of ISO 14001 for its practices, current and future. I think that it is the first company in South Australia to be given such recognition. It has worked hard to obtain that and I have been given a commitment that it will meet the obligations under that ISO standard. That sort of standard should be pursued across the industry and across Australia. That standard covers issues such as sewage discharge. Consistent with those sorts of international best practice mechanisms, we believe that the Australian Democrat amendment can be supported. The opposition is pleased to support the bill, but we are concerned that last night’s decision undermines so much of what can be achieved by this legislation.

Senator BARTLETT (Queensland) (12.14 p.m.)—I rise on behalf of the Australian Democrats to speak to the Great Barrier Reef Marine Park Amendment Bill 2001. As far as it goes, the bill contains some welcome measures and we recognise the government’s desire to implement them as soon as possible to ensure that these strengthened provisions can be used and communicated to affected parties to ensure that the extra penalties, in particular, and enforcement provisions in the bill are used as an extra disincentive—or an incentive, if you prefer—to ensure that people do the right thing.

I will speak a little bit more broadly than the specific content of the bill because I think it is important, when we are debating legislation to amend the Great Barrier Marine Park Act, to take the opportunity to examine how well the overall management of the marine park is going and what the health of the marine park is. Coming from the state of Queensland, I can absolutely assure the Senate that the Great Barrier Reef and the marine park that it is contained in are without doubt one of the environmental jewels for Queensland and also an incredibly significant economic asset for my state. Any threat to the ongoing health of the reef is of great concern to Queenslanders and it has potential significant negative economic consequences.

It is worth emphasising that point because, in the context of actions and decisions such as last night’s budget—budgets are often talked about in terms of costs and expenditure versus revenue—we have to look at it more broadly, in the Democrats’ view, and that is in terms of investment and the extra resources that are put into protecting, pre-
serving and strengthening our environmental assets, and that undoubtedly has a flow-on net positive economic benefit. Similarly, failure to adequately protect, whether through resourcing, commitment or will by state or federal governments, or whether through negligence—failure to protect for whatever reason—is not just an environmental concern; it also has flow-on economic costs. It is important to emphasise the need to protect the asset and to emphasise in the context of this bill the fact that there are ongoing threats to the marine park. On the whole, whilst its health may be better than that of some other coral reefs around the world, it still has some significant problems in terms of degradation, particularly in certain areas. Unless those problems can be more fully addressed—and addressed far more fully, of course, than by this bill, which is meant to address just a couple of specific issues—we will have the proverbial death by a thousand cuts and the loss of an absolutely magnificent asset in terms of biodiversity as well as purely in terms of dollars and cents, for those who want simply to try and measure things in economic terms.

The bill before us today increases a few penalties and creates some new offences, some of them arising from the very worrying incident last year when a container ship ran aground on the Great Barrier Reef. That accident was caused by negligence on the part of the operators and it caused significant damage to the reef—only to a small area, thankfully, because there was no loss of cargo or spillage, but in that area there was still significant damage and, again, significant cost. That again highlights the intertwining of environmental protection and economic underpinning. The bill before us creates a new offence of negligent navigation and a maximum penalty of over $1 million for it. It also increases the maximum penalty for discharging wastes into the marine park. I have circulated an amendment that relates to an exemption in the bill in relation to sewage. There may be issues for the government as to why it is problematic to contain that in this bill, but the Democrats believe that it is a significant issue. It does present an environmental threat and it is appropriate for the federal government to have the power to more strongly regulate that, and that is what the amendment that the Democrats have circulated attempts to do—that is, to enable the federal government or a future federal government to more tightly regulate that matter down the track, without trying to force it upon them in the course of this debate.

Obviously, with a bill that is amending the marine park act we could utilise the opportunity to introduce a whole raft of amendments to strengthen that act. We have chosen not to do that on this occasion because we recognise that the bill as it stands moves things forward. Therefore, we would not want to jeopardise or hold up the passage of those positive measures by attempts to further improve the act should those measures prove to be unsuccessful, which I would not expect in the short term.

There are other flow-on changes in the bill, including imposing some strict liability, allowing for certain activities to be controlled by way of regulation—I think that is an appropriate approach to take—and generally ensuring that certain activities are more easily punished than the current act allows, including illegal fishing in inappropriate zones, which is another ongoing threat to the reef. In recognising that it is a threat and a danger, as this bill does, it points to one of the ongoing flaws in this government’s approach to the reef—that is, a lack of adequate resourcing for enforcement and oversight of the marine park area. It is a huge area. We saw in last night’s budget a need to top up the so-called reef tax because of an unexpected shortfall in the revenue, so even the funding that was provided is really just to keep the authority treading water, and it is treading water at a place where it is unable to adequately manage the entire marine park. We have to ensure that activities such as illegal fishing and the discharge of wastes can be detected, monitored and penalised when necessary. There is no doubt that the resources currently provided to the marine park authority do not adequately enable that.

One other small measure in last night’s budget that is worth noting is at least some extra resources going specifically for management of aquaculture developments surrounding the marine park area. The Demo-
The Democrats have raised concerns in relation to aquaculture developments, in terms of both the totality of them as well as some specific proposals, a number of times in this place, at various Senate committees and through correspondence. It is one area where the government has taken some action and introduced regulations to provide some oversight of discharge from aquaculture developments. But it is also quite clearly an area where a lot more needs to be done. The Queensland Labor government is quite specifically promoting a dramatic expansion of aquaculture. That is not something that the Democrats oppose outright but we certainly have significant concerns about the adequacy of environmental standards that are enforced, particularly at the state government level.

It is for reasons like that that the Democrats are always keen to strengthen the power at federal level to have that overriding ability to act when local management is clearly inadequate or negligent. For the federal government to act credibly in that regard, they have to obviously act in a way that across the board shows their own commitment to properly protecting this important asset and shows the political will to enforce that. Unfortunately, with the management of the marine park, a lot of management of threats—such as commercial fishing—has got bogged down in arm wrestling between the state and federal levels. It is certainly one area amongst many where the state Labor government in Queensland has not performed adequately.

I note some of the positive comments—or visions—that Senator Bolkus put forward on behalf of the federal Labor Party in terms of what needs to be done in the marine park area. I welcome those comments. I think it is good for the opposition to put on the record what it sees as things that need to be done. Certainly, the Democrats, were Labor to get into government whenever the election is some time this year, would be following up on ensuring that the ALP actually act to address some of those needs that they have identified. But I would also urge the opposition to put more pressure on their Labor colleagues in Queensland because they are equally culpable in terms of many of the threats that have been identified and many of the problems that are ongoing in relation to the marine park, particularly in the area of fisheries management. There is an enormous amount more that needs to be done there. The progress is very slow and very tortuous. That lack of progress is due in no small part to the attitude and approach of the Queensland Labor government.

So, it is a call from the Democrats to both the coalition and Labor parties to work harder and to show greater political will in the important roles they have in protecting and preserving this major environmental asset in the state of Queensland. It is not just a matter of resourcing and funding, but that is an important part of it as well. But it is not just expenditure that flows out the door: it is an investment in an asset, and investing in that asset will repay dividends many times over. Failing to do that will produce significant extra costs many times over as well. It is a major area of concern to the Democrats. The overall future of the marine park is a particular focal point for us.

The marine park authority is currently engaged in developing a comprehensive assessment of the huge range of ecosystems right throughout the marine park through a representative areas process. That is a process the Democrats are following with great interest. If it is done properly and if it is supported politically by parties of all persuasions then it will go a long way towards ensuring not only greater protection but indeed greater understanding of exactly what it is that we are trying to protect and how best we go about protecting this asset more effectively.

It is an area where so many other portfolios come into play. Obviously, the marine park and the reef are major selling points for tourism in Queensland, and particularly northern Queensland. That industry of course has a role to play in ensuring that that tourist use of the reef and the marine park occurs in a way that protects and preserves the biodiversity and ecosystems, rather than endangers them. There is still usage of the marine park in terms of commercial fishing. There are enormous scientific opportunities through activities in the marine park. The adequate
resourcing of science, knowledge and innovation is another part of the key to a better understanding of what we are trying to protect—exactly what the values, assets and opportunities are that the marine park environment provides to us and how best to ensure that that area can be protected.

The Democrats support the measures contained in this bill. We have circulated one amendment which we will deal with in the committee stage. But we do call on all parties to redouble their efforts to more adequately protect the marine park. It still is an environment that is in crisis and that is facing multiple threats, not least from the major global issue of climate change. Indeed, the reef could be one of the first areas to really show the significant damage and significant costs that will occur from failure to adequately address climate change because coral bleaching is already a risk and a problem with the reef. Even small increases in temperatures in that area could severely damage the health of the reef.

I will speak further to the amendment I have circulated when we get to the committee stage. The Democrats will support this bill. We urge all other parties not only to do the same but to support efforts to work harder to protect the Great Barrier Reef Marine Park, which truly is one of the major world heritage areas of the world and—as a Queenslander—a major environmental asset that my state certainly needs to protect and preserve for future generations.

Senator COONEY (Victoria) (12.30 p.m.)—About 2,000 years ago the devil was told that man does not live by bread alone. I think the use of the term ‘man’ was in the generic sense, and there were no sexist overtones to that comment. The Great Barrier Reef Marine Park Amendment Bill 2001 seeks to affirm that proposition. I think it is fundamentally based—or at least I hope it is fundamentally based—on the truth that man has a soul and a mind as well as an appetite for economic gain.

There are some great natural areas in Australia in addition to the Great Barrier Reef. I am thinking specifically of the Great Ocean Road in my state. Mr Acting Deputy President Sherry, your state of Tasmania is littered with great natural monuments and with monuments that have been built by people. It is always necessary to see that there is a proper balance between the needs of the natural environment and the legitimate use people make of the resources made available to us as human beings so that we can live. That is always the contest. By and large, the contest has gone too far the way of the exploitation of resources and has not developed so that our great natural resources can be assured of being saved. But I see that this bill and the following bill deal with this matter.

I should pay tribute to Senator Bolkus. He has a program to ensure that the great beauty of this country is preserved. Talking about the Great Ocean Road, I have a very big interest in the Otways, in ensuring that they are saved in their present beauty so that they can be appreciated and go towards uplifting the heart and soul and spirit of people. That is very important, and we sometimes forget that in this chamber. You, Mr Acting Deputy President, are very skilled in the economic field. I have heard you on many occasions explain what to me are very esoteric points in that area. But, even though you have that ability, it does not mean that you lack that soul which appreciates these great areas of beauty and these great things that we are very proud of as Australians and which we want to preserve. But there are people who sail ships into places like the Great Barrier Reef and put them at risk. I note that the second reading speech on this bill says:

Last year, a Malaysian-registered vessel ... ran aground on the Great Barrier Reef. The accident was caused by negligence on the part of the operators of the vessel. Damage to the Reef—while significant—was fortunately restricted to an area of approximately 100 x 300 metres—which is of course too much. The second reading speech goes on:

Through a combination of good luck and an effective response from management agencies, an ecological disaster was averted.

We cannot rely on good luck to preserve the great heritage we have in this country.

We have great beauty in Australia and we also have people who are able to express great beauty. If you look at the paintings of
Mary Hammond and Rick Amor—you will know what I mean. They are two great Australian artists, both fortunate to be residents in Victoria. They are able to depict with great insight what Australia is all about. There are also great Australian poets, like Bruce Dawe, who comes from Senator McLucas’s state. He is a great Queenslander. No doubt, Senator McLucas, who is following me in this debate, will acknowledge the great contribution Bruce Dawe has made to the spirit of Australia.

I have gathered all those things together because we are looking at how we want to live our lives, what we want to aspire to, how we want to see ourselves as Australians and what we want to do about protecting that vision we have of ourselves. The Great Barrier Reef is one of the great symbols of all those things. Accordingly, it is necessary that it be preserved.

I think Senator Bartlett spoke about the pressure that tourism places upon the reef. Clearly, it would be nonsense simply to let the reef remain alone and isolated, without people visiting it and enjoying its greatness. But the management whereby we can ensure that people are able to go and have a look at the reef and yet keep it pristine, and are able to go and look at other places such as Uluru and Kakadu—places in Australia that just roll off the tongue—is absolutely essential and must be got right, otherwise we will lose a lot. So the way in which we go to these places is important to regulate, and this bill does that. The bill has the support of people across the chamber. I think that is a very good thing and it shows that on issues such as this there can be agreement.

Clearly, there is not enough being done about the environment in Australia. I have been talking about the environment in terms of its beauty, the way in which it helps us as a nation to aspire to great things and the way in which it feeds the needs of the heart and soul. But, of course, how we use the environment and the land for farming and those sorts of things is also important. The issue of the salination of our soil and how our country is being diminished through a whole series of uses has been brought forward in this chamber again and again, and much more has to be done than is presently being done about that. The land has also been overrun by feral animals—there is a whole series of things. Now is not the time to be ungracious, because this is a bill that protects one of our icons. On the other hand, it also brings to mind just how great the task is for us to accomplish for the country generally and for the matters that have arisen in this area and that will arise in the future in this area.

This bill makes it an offence for people to enter the zone intentionally or negligently. Here there is the concept of being punished for negligent conduct. Gross negligence, particularly, is a concept familiar to the law and, when there is an icon such as the Great Barrier Reef at stake, it is proper that the cover of a crime that is familiar to the law should be extended to cover that. In fact, how ships can get there innocently, knowing that the reef is there—or, if they do not know, they should know—and aware that it constitutes a very precious area, is very questionable. It is one thing if boats damage the reef and can explain why but, as was demonstrated by the Malaysian boat last year, that is not an issue that is likely to arise. In general, boats that go in there do so in circumstances that are reprehensible and where the penalties of the criminal law are appropriate for their conduct.

I note, too, that the second reading speech states that the bill deals with the threat to the Great Barrier Reef from illegal fishing. That is another issue that I think it is appropriate to talk about. Illegal fishing is a most reprehensible act. In Victoria we are extending some marine parks where sea life and other things of the sea will be protected, and I think the Victorian government needs praise for that. Fish can be caught and can be sold, but that should be done in accordance with regulations. Regulations are there not to harass people but to ensure that a fair distribution of the fish that can be caught is made to those people who are properly licensed. So I think it is a good thing that illegal fishing will be penalised. This is a bill to which there will be some amendments, but clearly the general thrust of it is one that is welcomed by everybody in the chamber.
Senator McLUCAS (Queensland) (12.43 p.m.)—I also rise to speak on the Great Barrier Reef Marine Park Amendment Bill 2001. The Great Barrier Reef Marine Park Act was originally passed in 1975, and additions were progressively made to the park during the 1980s. The Great Barrier Reef Marine Park Authority has the overall responsibility for the management of the park under the authority of the act, but the day-to-day management is primarily delivered by the Queensland government through the Queensland Parks and Wildlife Service.

The overall objective of this bill is to improve the environmental protection of the Great Barrier Reef from oil pollution, ship grounding and illegal fishing. The bill amends the Great Barrier Reef Marine Park Act 1975 to increase penalties for the discharge of oil and other hazardous materials into the park in order to obtain greater parity with other marine park legislation.

Debate interrupted.

MATTERS OF PUBLIC INTEREST

The ACTING DEPUTY PRESIDENT (Senator Sherry)—Order! It being 12.45 p.m., I call on matters of public interest.

Centenary of Federation

Senator BOSWELL (Queensland)—Leader of the National Party of Australia in the Senate and Parliamentary Secretary to the Minister for Transport and Regional Services) (12.45 p.m.)—A couple of weeks ago we all assembled in Melbourne to celebrate the 100th year of federation. At that time, the leaders of the various parties were to speak. Unfortunately, because of circumstances, I was not able to make a contribution. I would like to take the opportunity now to give the speech that I was going to give on that day.

The great federation of states and territories that we proudly call Australia, and whose 100th birthday we celebrate this month, is a democracy unparalleled in time and place. For that, we are indebted to the past, obliged in the present and hopeful for the future. We are Australians. Our ancient land was born to humanity in the dreaming of our indigenous peoples and nurtured by waves of people from other lands. Together, we make our nation a sanctuary of freedom, hope and equality. Australia unites us all.

Our constitution safeguards Australia. God bless all who proudly state, ‘We are Australians.’ Many of our generation of Australians know their family links back to the time of federation—grandparents and great-grandparents. These were the sons and daughters of federation, children at the birth of a nation on an island continent that seemed so far from anywhere else. To them fell the obligation of the beginning, the Great War and the Depression.

Today we stand in a unique place in history, able to reach out behind us to just touch the birth of our nation while being pulled in another direction towards the unknown. To us falls the obligation of keeping intact the virtues of the first generation of national Australians so that 100 years from now they will still be recognisable in the Australians of 2101. These virtues are to be found forever in two symbols born out of federation: the federation star and the rising sun. The Australian flag salutes the constitutional coming together of states and territories with a seven-point star. Each state and territory has a unique and equal place in the Commonwealth of Australia. Each member of the federation is sovereign to itself and to Australia as a whole. Each state has its icons, landscapes, strengths and challenges. The Senate was given a special responsibility to keep the federation star shining brightly by reflecting the interests of individual states.

We are a healthier nation by virtue of our interstate rivalries and differences. There is great strength in diversity. This translates to a political challenge to represent all Australians—regardless of where they live, what they look like, where they come from, or what creed they profess. We began national political life as a series of penal colonies, a place of exile and abandonment. We continue it as a mature, independent federation, a Commonwealth of freedom and of sanctuary. This was achieved only because Australians came together to achieve national aims and to develop our own ways of lifting ourselves beyond servitude and suffering.

The federation star reminds us of the strength and vitality that get us through the
dark hours of natural and man-made disasters, of endless toil and grinding suffering. Our constitution binds our different lights together to harness more energy as a whole than as separate lonely struggles. The federation star is the star of mateship. After every time of hardship, Australians have found a new lease of life. The world wars of this century tested us as a nation, and we prevailed. The sacrifices were rewarded by new life from great waves of migrants who brought prosperity and added diversity and diminished the distance between us and the rest of the world.

There is no better symbol of the promise of Australia than the sun’s rays at dawn. This symbol was so popular at the time of federation that it was worked into the architecture of homes built in that period: a new country, a new life. Mostly, though, we are familiar with the rising sun as it continues today—the emblem worn by our servicemen and women. The rays of the rising sun remind us of our hopes for the future. They stand for the warmth of the Australian spirit, the will to overcome despite the odds and the certainty of a bright tomorrow. They stand for a nation of new beginnings. The dawn rays illuminate a level horizon where everyone is equal. The beams radiate out and upwards, beckoning and welcoming.

Leaders have played no small part in our fate. Australia owes its depth of freedom to political leaders of courage like Curtin, of comprehension like Menzies and of compelling vision like Earle Page. Our constitution has never witnessed civil war. Our shores are hardly touched by the terror of terrorism. We are on the world’s A-list for everything that is good. Our federated democracy is a precious inheritance that we must value in order to preserve. The matilda spirit waltzes most freely in those who never seek public acclaim. Australians expect their parliaments and their parliamentarians to reflect those values—to befriend the defenceless, to stir at tyranny and injustice and to fight but never surrender.

The nation is warmed by the fire of ordinary Australians who do the extraordinary: those who answer the call, who become the light in the darkness, who accept and act upon the obligations which come to every Australian in different guises. One ordinary bloke was Private Fred Flanagan, a saddler in the Australian forces in World War I. He was born into a colony and grew up the son of federation. Private Fred Flanagan fell on the fields of France. He died an Australian. He never once saw his daughter. I am his grandson and my grandson wears his medals on Anzac Day. We could never know him.

But Australians know him and all the other Fred Flanagans, and mothers, wives and daughters. On Anzac Day we carry those timeless marchers with us. If we are to keep in step with them we must take up our obligations as they did theirs—with the federation star in our back pocket and the rising sun on our faces.

G & K O’Connor Meatworks: Employees

Senator CARR (Victoria) (12.53 p.m.)—In this season of mean and nasty actions I wish to raise again in the Senate a particularly nasty story involving the victimisation of meatworkers at G & K O’Connor’s abattoir in Pakenham, Victoria. When I spoke on this subject more than two years ago this vicious attack on the O’Connor work force was in its infancy. But already the dimensions of the bastardry that we have witnessed in recent times were clear. However, as this vindictive and unnecessary dispute has dragged on, the legal efforts of the Meatworkers Union and the investigative skills of television journalists have brought to light many of the nastier aspects of this case that I am sure both the O’Connor management and this government would prefer to have remained concealed.

It is one aspect of the conspiracy mounted by this government against organised Australian workers, a conspiracy in which the livelihoods of thousands of Australian unionists have been threatened and in which the welfare of thousands more has been held hostage against the delivery of windfall profits to the admirers of former workplace relations ministers and profits paid for by wage cuts and reduced social prospects.

It is a story of what happens when this government sanctions the use of the worst aspects of the American industrial relations
system against Australians with the inevita-
able attendant intimidation, violence and so-
cial cost. It is also the story of a good em-
ployer turned bad—a Jekyll and Hyde story,
if you like, in which the coercive effects of
Peter Reith’s, and now Mr Abbott’s, indus-
trial relations legislation can be seen taking
its toll on the honesty and practices of em-
ployers as well as deliberately undermining
the living conditions of workers.

What would be the effect of an employer
who, having previously maintained fair
working conditions and having received loy-
alty and commitment in return, now takes
recourse in the employment of industrial
spies, thugs and standover merchants and,
in doing so, introducing a Pinkerton culture
into a previously productive work force? What
would be the effect of an employer con-
tracting the services of Mr Bruce Townsend,
a notorious schemer and knuckle man who
accurately describes himself as ‘a head
kicker to the landed gentry’? This black epi-
sode demonstrates in stark fashion the dam-
ing and vindictive effects of the Workplace
Relations Act and the government’s indus-
trial relations policy on the lives of ordinary
Australians. It also exposes an abuse of the
government’s much vaunted New Appren-
ticeships scheme. As a government program
with government training subsidies, it has
effectively underwritten the efforts of an em-
ployer to deny the Industrial Relations
Commission’s decisions and to break a cam-
paign in defence of legitimate employment
conditions by O’Connor workers.

In 1992, O’Connor negotiated a ground-
breaking certified agreement with the Aus-
tralian Meat Industry Employees Union. In
doing so, the company broke away from the
employer association that had adopted a con-
frontationist approach to industrial relations
and had relied heavily on the advice of the
legal firm Dunhill Madden Butler. This new
agreement provided huge productivity in-
creases for the company. From 1992-99
wages and conditions were guided by this
agreement and its successors, with wage in-
creases falling well within the prevailing
inflation rates. Both were negotiated without
a single day of strike action.

In 1998, Kevin O’Connor met with the
union to discuss the renewing of the agree-
ment. He complained that times were tough,
that live exports had reduced the availability
of stock and that, due to other factors such as
increasing livestock prices and the drought,
profitability had been reduced. O’Connor
acknowledged that he would not ‘take away
what was already there’. Instead he was only
going to look for a change. Other employers
expressed similar views and, as a result, the
Victorian branch of the Meatworkers Union
recommended to its members that they ac-
cept modest wage increases with minimum
changes to existing terms of employment.

Despite some pressure for further conces-
sions, union members, including those at
O’Connor’s, agreed to this approach, and so
did O’Connor’s competitors. In November
1998, following a prolonged period of inac-
tivity, the union received from O’Connor a
list of demands for heavy reductions in pay
and conditions. Despite having agreed to a
reasonable and moderate approach to im-
provements in wages and conditions, we find
the employer taking deliberately provocative
actions to undermine those settled condi-
tions.

O’Connor’s stated intention was to con-
clude the negotiations within one week, not-
withstanding that the previous agreement had
taken 18 months to develop. Nevertheless,
the union arranged a series of meetings with
the company to try to resolve and negotiate a
new arrangement. At these meetings the
company insisted on union acceptance of
wage cuts ranging from between 10 and 17
per cent as a pre-condition for further discus-
sions. An impasse was soon reached, despite
the union’s agreement to be flexible on a
range of issues obviously aimed at further
increases in productivity.

O’Connor’s demands were accompanied
by a notice of initiation of a bargaining pe-
riod under the Workplace Relations Act. At
the same time, the company switched legal
firms, moving from Clayton Utz to Dunhill
Madden Butler—one of whose partners, Ste-
en Amendola, just so happens to be
Mr Peter Reith’s personal solicitor. Clearly
Kevin O’Connor had recovered from his dis-
pleasure at this legal firm, which he had de-
The works manager at O’Connors, Mr Peter Allen, who led the O’Connors negotiating team, flatly denied that the company would lock out its work force and accused the union of grandstanding on this issue. In March 1999 O’Connor’s locked out its entire work force of 250 employees. Meat workers with up to 20 years service were thrown out of work without notice and without payment. The lockout also froze their entitlements to wages and denied them access to their long service leave, to annual leave, to sick leave and to other entitlements normally available to workers when a meatworks closes down temporarily. It is not unknown in this industry for there to be fluctuations in trade, but this was an attempt essentially to freeze the assets of these workers. The lockout continued for nine months. It was one of the longest lockouts in the history of industrial relations in this country.

In August 1999 O’Connor’s altered the purpose of the lockout from one initiated to negotiate a collective workplace agreement to one seeking to establish individual Australian workplace agreements. Despite the fact that union members who remained locked out appointed union officials as their bargaining agents, their attempts at negotiation were met only with further harassment, together with further pressure designed to force workers to sign these AWAs. In retrospect, it is illuminating to note that, during proceedings in the Industrial Relations Commission at the time, Mr Kevin O’Connor accused the union of outrageous and disgraceful behaviour insofar as they even had the temerity to suggest that there had been discussions with the employment relations minister, Mr Peter Reith. It has taken persistent questioning through Senate estimates committee hearings and through other means to establish that Mr O’Connor was lying and that he had indeed personally met with Mr Reith, including immediately prior to the commencement of the lockout proceedings.

The union was also attempting to stop the current agreement from being set aside. When O’Connors claimed that the company needed to lower wages and reduce conditions in order to maintain profitability, the union sought all the relevant records in an attempt to verify such a claim. Naturally enough, under the present industrial relations law access to those records has been denied. The commission ruled that the current agreement had been improperly certified and set the certification aside. The company then sought to avoid having the no-disadvantage test for AWAs being measured against the 1995 agreement and instead argued that the appropriate comparison was the Federal Meat Industry (Processing) Award. Following further resistance from the union, the Federal Court rejected this proposition as well.

Such were the draconian effects of the O’Connor’s proposals that they failed the no-disadvantage test—Mr Reith’s laws—even when compared with the 1992 award. The Employment Advocate, Mr Jonathon Hamberger, approved the AWAs. What a surprise! The work force was then locked out and O’Connors started to recruit alternative workers.

What we have seen in this situation is the longest lockout in history. Clearly, the government is deeply involved with this arrangement. O’Connor’s are clearly getting support through the Employment Advocate. They now seek to employ federally funded trainees. As I have it, in December last year they had more than 125 employees on federally funded traineeships. On top of that, they seek the employment of 50 to 60 refugees on temporary refugee visas. So 80 per cent of the work force are either trainees or unfortunate enough to be refugees. Huge subsidies are being paid, through the taxpayer. They are being used to displace a highly skilled and long serving work force, who are being locked out in an attempt by the company to reduce wages.

I remind the Senate of some basic propositions that this parliament has been advised of in the past. The Prime Minister said, ‘I give this rock solid guarantee: our policy will
not cause a cut in the take-home pay of Australian workers.’ Mr Reith also said, ‘Employees’ wages will not be reduced by any provisions in this particular bill.’ In both those cases, we can see clearly that the government has lied. Both Mr Howard and Mr Reith maintain that they stand by their promises. I think we can clearly challenge the veracity on all of those counts.

In recent times, the courts in this country overturned that lockout, which was terminated as a result of legal action. The solidarity of the meatworkers on the site has also been maintained despite the extraordinary pressures. Employees are now expected to work for wages that in many instances are topped up by welfare payments. So they do not even reach the poverty line. In a country like Australia, workers in a full-time job rely on welfare payments to get above the poverty line! Workers were forced to maintain substandard conditions. The union, of course, successfully sought a Federal Court injunction.

The social and economic effect of this company’s vendetta against its own work force has been catastrophic. Many workers have been forced to give up an unequal struggle and have had to lease their homes and seek work elsewhere. Those who have stayed have been abused and vilified and, of course, have suffered huge personal hardships. Houses and cars have been repossessed, mortgages have been foreclosed and families have broken up. They are the economic and social consequences of these sorts of policies.

On top of that, uncontested evidence taken in the Industrial Relations Commission under oath revealed that O’Connor’s spent more than $48,000 on expenses for industrial spies, who were employed to infiltrate and report to management on the activities of the union and to fabricate evidence against union organisers and delegates at the plant. Under instructions from managers such as Peter Allen, the spies have made accusations regarding the theft of property and have essentially been involved in conspiracies to break industrial relations laws. In addition, there is evidence from other witnesses before the courts of this country that the company has employed a Mr Dekker, an undercover surveillance expert who glories in being known as ‘the spy catcher’ and who provides secret agents with hidden video cameras and tape-recording devices to use against the workers on the site.

One of the company’s spies has been troubled by this action and his conscience has got the better of him. He has sought to work with the union and has demonstrated that the fabrication of evidence, the incitement to perjury and the use of violence against the union have all been part of a conspiracy that involves this government, the company and the various scab masters such as Mr Townsend. This is a direct result of a government philosophy that says that it is legitimate to use any device at all to import the American style industrial relations to undermine and destroy the conditions of workers and the security of people’s employment. (Time expired)

**Convention on the Elimination of All Forms of Discrimination Against Women**

Senator ALLISON (Victoria) (1.09 p.m.)—The Australian Democrats have been presented with a petition signed by 4,801 Australians from around the country, urging the government to sign and ratify the optional protocol to the Convention on the Elimination of All Forms of Discrimination Against Women, CEDAW. I seek leave to table this document.

Leave granted.

Senator ALLISON—This petition was initiated by the Amnesty International Women’s Network because they, like us, are concerned at the government’s decision not to sign and ratify the optional protocol to CEDAW. The optional protocol gives women the right to take a complaint to the United Nations system. This is a safeguard that is available to women only after all domestic remedies have been addressed. It is intended as a last resort for Australian women.

The government has refused to sign and ratify the optional protocol because of its general dissatisfaction with the United Nations treaty system. No-one denies that it is
not a perfect system, but surely there is more opportunity to reform from within rather than by sniping at the sidelines. The government recently announced measures to enhance its engagement with the system to seek reform. It has a sensible way of showing its commitment to true reform by signing this optional protocol. As well as the 4,801 individuals who have signed this petition, more than 100 organisations have advised the Office of the Status of Women that the government should sign and ratify the optional protocol.

On behalf of my colleague Senator Bourne, I would particularly like to commend the activity and commitment of the Amnesty International Victorian Women’s Network, which organised a convoy up to Canberra to present this petition. The group stopped at many towns along the way to gather more signatures. The petition is gathered from rural and urban communities and is a true reflection of community attitudes and expectations that the government should sign and ratify the optional protocol to CEDAW.

**Industrial Relations: Petkar Pty Ltd**

*Senator BUCKLAND (South Australia)*

(1.11 p.m.)—I wish to bring to the attention of the parliament and the public some unscrupulous methods that employers are using to coerce their employees into workplace agreements. These workplace agreements are, of course, the brainchild of the current government. I can remember some very famous words at the time the workplace agreements legislation was introduced—that no worker would be worse off. The situation with Petkar Pty Ltd, operated by a Peter Franklin and his wife and trading under the banner of IGA in three suburbs of Adelaide—Dulwich, Malvern and Walkerville—highlights the lengths that some employers will go to to force their employees into the government’s flawed system of industrial relations. It is flawed because it allows unscrupulous employers such as Peter Franklin to use intimidation and misrepresentation of the Office of the Employment Advocate to force employees to sign agreements that take away the most basic of their rights and entitlements—to take away things like annual leave payments. You can have annual leave, but do not expect to get paid. You can have sick leave, but do not expect to get paid. As for bereavement leave—well, just hope no-one dies. And carers leave—hope that your child or your partner does not take sick.

This is one of those situations that are repeated many times in the small business area. When negotiating—or purportedly negotiating—with these employees, the employer put to them that there was absolutely no compromise with what he was putting forward. He said, ‘We will not withdraw the offers of AWAs, so you cannot stay in the current award system. We are not going to withdraw them, so they will be there and you will work under them. We will not enter into any negotiations for a collective agreement.’ So people’s rights to have someone represent them as a group or as an individual have gone. He said, ‘We won’t further negotiate the AWAs to make them more reasonable for the employees.’ These are all written and stated comments by the employer. He also said, ‘We won’t consent to delaying the implementation date of 1 June to a further date so that you can have a look and make some compromises in response.’

Unscrupulous employers like Peter Franklin are employers that should not be in business. They seek to hide behind the government’s AWAs and they seek to hide behind saying, ‘If you don’t work for us, you won’t get a job anywhere else. You will have fewer hours to work, you will have less pay and certainly no entitlements whatsoever.’ Why does Peter Franklin want his employers covered by AWAs and not the registered award that is currently in place? In his words, ‘to keep the shop competitive’. They are his words, not mine. He said:

Penalty rates must end to keep the shop competitive and this has been my sole intention from the outset.

‘My sole intention is to take money out of your pockets so that I can remain competitive.’ The employees have to give up their entitlements so that their boss can get rich—that is basically what it comes down to. This is a situation repeated continuously through the retail sector, particularly in smaller establishments.
Peter Franklin made no mention of the fact that perhaps the GST that was imposed on him by the government was having an impact on his business. But those shop owners that I talk to, and there are many of them as I go about my business, will tell you that what is hurting the most is the GST and that they have to change their work arrangements to keep their employees at least in some work. But they do not take the penalties away from them; they have to change their hours and they have to change the nature of the stock that they keep. But not Peter Franklin and his friends; they simply say, ‘You are getting a cut in income.’ He is the type of fellow that, if you went into his shop and he served you, you would be checking the change twice before you left because he is a mean person and very self-centred.

Senator McGauran—it speaks well of you.

Senator BUCKLAND—Let me say, Senator McGauran, that certainly it does not speak very well for you and those you support. It certainly does not speak well for those who support positions taken against employees—people who are trying to get an honest living from a mean and nasty boss. It does not support them at all. I would be checking my change in his store, if he were serving me.

But Peter Franklin keeps going even further to make this an even nastier situation. Remember that he would not allow his employees to collectively bargain—no-one could represent them—and there was no compromising his position. But he did have assistance from a couple of people. One in particular was Mr Rob Wallace who, during the course of representing the company and giving advice, took up an appointment with the Office of the Employment Advocate. And even after he took up that office he continued to give advice. I am not saying at all that Mr Rob Wallace gave incorrect advice to Mr Franklin. But Mr Franklin clearly said to his employees that this enterprise agreement or workplace agreement had been checked by the Office of the Employment Advocate and there was verbal consent to it being okay.

In fact, a letter from Ian Cannon, the bargaining agent who came into the picture after Rob Wallace left—or purportedly left—says:

The OEA does not formally approve an agreement during a pre-assessment, but conducts an informal test to determine whether the agreement as a whole would pass the no disadvantage test.

But, if you look at the agreement, you will see it does not pass the no disadvantage test. It goes on to say:

They also consider other matters such as whether the agreement contains clauses that are prohibited by law.

I think further investigation might find that law would prohibit the proposed agreement.

It then states:

The OEA has verbally advised me this morning that there does not appear to be any reason why the agreement, as presented to them, should not be approved.

Why would he say that when in fact it does not take a bright person to see that it does not pass the test? But that was not the way it was reported back to the employees. It was reported back to the employees that the OEA had pre-approved the AWA, but it could not have done that because the OEA had not seen the work arrangements or the conditions that were proposed at the time. Yet this scurrilous person Franklin tells his employees that in fact it has.

The employees were not very happy with what was happening to them and a number of them joined their union, the shop distributive union. The union took up the fight for them, as properly they should, and registered a dispute in the Industrial Relations Commission in South Australia. At the conciliation conference before the Industrial Relations Commission, Mr Franklin made it very clear that it was his intention to cut wages by abolishing penalty rates. He was right up front in saying, ‘Well, I am going to cut wages.’ It was his view that anyone who had not signed the AWA and agreed to a flat rate would not be getting any penalty rates or shifts. But he went even further than that. He used his store managers to go to the employees and blatantly tell them that, if they did not sign and stayed in the casual employment situation, they would get no hours—in other
words, they were getting sacked, because they would not get any hours. They were told that. He was not big enough to go out and front his employees himself; he used others to do it for him.

I think the government has a lot to answer for with the introduction of the AWAs system. It is flawed, it is unfair and it allows scurrilous operators like Franklin to do the things that they wish to do—that is, make up the rules as you go along and, provided you have a young and naive work force, you will get away with it most of the time. It is like the fish and chip shop owners who get them in, work them two weeks to see if it works out for them and to see if they can cook the chips, and then, if they can, the owners will start paying them but the first two weeks is free. Then they will put the worker on $3 or $4 an hour to work Sunday nights. These people need to be stopped.

We also need to highlight it is not the employee wage rates and conditions of employment that are driving the shops to a non-profit situation; it is the imposition of the GST and of very bad industrial laws through the Australian workplace agreements system. People like Peter Franklin do not deserve the protection of the Industrial Relations Commission or the protection of any law at all. It is only because of action within the Industrial Relations Commission that the shifts and the incomes of those who have not signed the AWAs with Peter Franklin have been protected. Where would they be without the independent umpire of the Industrial Relations Commission? The independent umpire is what this government wants to get rid of.

National Reconciliation Week

Senator CROSSIN (Northern Territory) (1.25 p.m.)—I would like to take this opportunity today to raise some issues connected with next week—which of course is National Reconciliation Week—to provide some comments and to reflect on the anniversary of National Sorry Day. The third anniversary of Sorry Day will take place this Saturday, 26 May, with commemorations happening all over the country. In Sydney’s Hyde Park the Journey of Healing, which has replaced Sorry Day, will be commemorated by a candle-lit vigil in Sydney’s Hyde Park, organised by the National Sorry Day committee. There are events happening all around this country. In Sydney, elders and members of the stolen generations and their family members will speak and there will be entertainment from indigenous and non-indigenous performers.

The theme for this year’s National Sorry Day, through the Journey of Healing, is to focus on the families and the communities that were left behind when the children were removed. In a joint statement issued by the co-patrons of the Journey of Healing, the Rt Hon. Malcolm Fraser and Professor Lowitja O’Donoghue, they said that the journey, which we know was initiated by members of the stolen generations in response to Sorry Day, aims to help heal the wounds resulting from the forced removal policies. Since its launch in 1999, hundreds of events have brought communities together to hear from those who were forcibly removed from their families, and some of the communities have implemented the recommendations of the Bringing them home report in their own local areas.

This year, at the request of the members of the stolen generation from every state and territory, the journey will give a chance for Aboriginal communities and families to tell their stories. As we all know, the report Bringing them home revealed the extent of forced removal of indigenous people in this country and its consequences in terms of broken families, shattered physical and mental health, loss of language, culture and connection to traditional land, the loss of parenting skills, and the enormous distress of many of its victims today. In the Northern Territory it is difficult to not know someone who was either directly removed from their family or who belonged to a family where a member or members were removed.

However, there are those who would still deny the existence of the stolen generation; those who want to play semantics with the meaning of words. I would question the motives of those people who question the existence of the stolen generation. As Robert Manne has argued, the term ‘stolen genera-
tions’ is, in fact, a precise one. In his article in the Sydney Morning Herald on 5 April this year, he talked about a three-year concerted political campaign against the findings of the Bringing them home report of the inquiry into the separation of Aboriginal children from their families. The aim, he said, was to deny that a terrible injustice had occurred in the separation of thousands of Aboriginal children from their mothers, families and communities. Former Australian Prime Minister Malcolm Fraser has also spoken out about what he describes as a cult of denial, led by right-wing commentators being hell-bent on disclaiming the existence of the stolen generations.

I would argue that this Prime Minister and his federal government are part of that political campaign to ignore the reality of our recent history. In a recent submission to the Senate inquiry, of which I was a participating member, this federal government denied the existence of the stolen generations. So what real hope is there then for the reconciliation process when you have a Prime Minister and a federal government with these policies? But what else would you expect from such a government, which will not acknowledge that it is highly likely that informed consent of the mothers was not given by those indigenous women whom they presume gave their consent to the removal of their children?

It does not really need to be pointed out that indigenous mothers were powerless people in those times. They were powerless as young women in a patriarchal society but powerless even more so as members of a dispossessed race. Given this government’s attitude, it is probably not surprising that it has responded to the Bringing them home report in the way that it has.

The Senate Legal and Constitutional Affairs References Committee conducted the inquiry into the federal government’s implementation of recommendations made by the Bringing them home report of the Human Rights and Equal Opportunity Commission. As a member of the Senate committee, I was dismayed to hear how little progress had been made in the implementation of the recommendations of that significant report, which sought to address the injustices faced by members of the stolen generations. The federal government has rejected the very considered recommendations made by the Senate inquiry; in fact, it is yet to respond to that report or to those recommendations.

Amongst other things, the inquiry repeated calls arising from the stolen generations report for the federal government to apologise to indigenous Australians—an apology that indigenous Australians are still waiting for. The inquiry also called for the establishment of a reparations tribunal to compensate for past injustices as an alternative to lengthy, painful and expensive compensation claims through the court systems. I note that today in the Northern Territory Harold Furber, who heads up the stolen generations group in Alice Springs, has announced that they will be presenting a model for a reparations tribunal at the festival in September. If the federal government does not establish an alternative process, taxpayers will continue to pay for expensive litigation, with more than 1,500 claims for compensation now awaiting the courts. I remind the Senate that the federal government has so far spent more than $10 million defending the Gunner and Cubillo case, which has been given the go-ahead to appeal to the Federal Court in Melbourne.

Labor’s position is markedly different from that of the federal government. We support the call for a public apology, and no doubt this will be done when Kim Beazley becomes the Prime Minister by the end of this year. Labor supports the establishment of a form of reparations tribunal. I am surprised that members of the government have had the gall to take part in reconciliation walks and events around this country. The hypocrisy of some members is appalling: they deny the existence of the stolen generations, but they are quite happy to pay lip-service to the idea of reconciliation because they know the reconciliation process is genuinely supported by the majority of the Australian public. But they are still not prepared to address the fundamental underlying issues needed for real reconciliation between indigenous and non-indigenous Australians. They downplay the role of human rights in the reconciliation
process, they will not establish a form of reparations tribunal, they will not protect indigenous property rights or human rights, and they refuse to give a formal apology. As Labor’s shadow Aboriginal affairs minister, Bob McMullan, said, the next federal election will give Australians a stark choice: do they want a Prime Minister who is prepared to say sorry so we can move on as a nation, or do they want one who will continue to play politics with the issue?

Returning to the Journey of Healing: it is a day that will give us an opportunity to reflect upon our history. History should acknowledge the good and the bad. As has been said time and time again, reconciliation is not about apportioning blame but acknowledging what has occurred and attempting to address it. I regret that we have such a mean-spirited government, led by a Prime Minister who is incapable of acknowledging the wrongs done, whether deliberately or not, to indigenous Australians. Time and time again, he has wasted opportunities for us to redress what is, after all, a blight on our history.

In an article in the *Age* on 18 April last year, Sir Ronald Wilson, a former High Court judge and well known for his role in the *Bringing them home* report, described Mr Howard as ‘a voice of the 1950s’, and I could go further. Mr Howard, as the Prime Minister, leads a government that does in fact lack compassion and is heartless towards indigenous people. He continues to insist that there will be no apology given while ever this government is in office.

This government has responded by urging Aboriginal activists to stop using the phrase ‘stolen generations’ and to drop legal claims for compensation. This government says we should not focus on the past but look to the future. It is somewhat ironic that Mr Howard appears to be a man that lives in the past. During the Centenary of Federation celebration speeches in Melbourne, the Prime Minister spent much more time dwelling on the past than on Australia’s future. He should be condemned for his failure to name reconciliation as among the nation’s future challenges while speaking at the recent Centenary of Federation celebrations in Melbourne.

While on the issue of reconciliation and my thoughts on the obstacles to reconciliation with the coming National Reconciliation Week, I cannot help but mention the actions of the Northern Territory government. Last week’s extraordinary outburst by the Chief Minister of the Northern Territory, Denis Burke, and his Senate colleague Grant Tambling regarding the decision to close the climbing of Uluru out of respect for the passing of a senior traditional owner highlights their willingness to use indigenous issues as a divisive political football. While speaking on the death of that senior traditional owner, a man whom I had the pleasure of meeting many times, I would like to pay my respects to his family and the community for his passing at this point in time. However, I would like to acknowledge Senator Hill’s support for the decision of that community to close the climb at Uluru.

But the Northern Territory government’s approach in this instance and in relation to native title has been a cynical one. It should be pointed out that in the Northern Territory the native title office has had to spend, in the last 12 months, over $3.7 million expanding the number of staff from nine to 15 to deal with the flood of native title claims as a result of the Northern Territory government’s refusal to previously deal with them under the national native title regime. They had gambled, against all the odds, that the Senate would pass the Northern Territory’s much criticised and discriminatory alternative native title regime.

This is the same Territory government that used the native title regime to successfully negotiate native title agreements for the rail corridor—for the Alice Springs to Darwin railway—and more recently for the port of Darwin. Once again, they thought that they would be able to score some cheap political points by coming up with their own version of native title legislation. But, yet again, Denis Burke and his lads got it wrong. I should also point out that reconciliation in the Territory continues to be undermined by that government’s discriminatory mandatory sentencing regime. The Howard federal government should be condemned for aiding and abetting them in their pursuits by providing
them with $20 million for diversionary programs. Instead of supporting legislation to overturn the Territory’s mandatory sentencing laws, they reward them by giving them a handout of $20 million over four years for the development of such a program and an interpreter service—programs which every other state and territory has had to find funding for out of their own moneys for juvenile justice.

While this federal government may not realise it, Australia’s response to the stolen generations is inextricably linked to the issue of reconciliation, which is why next week’s National Reconciliation Week coincides with the anniversary of National Sorry Day and the Journey of Healing on Saturday. The theme next week is ‘Keeping the flame alive’. National Reconciliation Week is a chance to reflect on our progress in the process of reconciliation to date, what remains to be done and how to move forward. In the Northern Territory in Darwin, Reconciliation Day next week will be held at Sanderson High School with music, food, theatre, workshops and a football match—all around the themes of ‘building on achievements’ and ‘responsibilities for the future’.

For true reconciliation to take place between Aboriginal and non-Aboriginal Australians, social and economic equality for indigenous people is required, as is the protection and promotion of indigenous people’s rights. Australians have made it quite clear that they support reconciliation. The people’s Walk for Reconciliation highlighted how out of step this present government is. I look forward to the day when once again we have a federal government that does support indigenous self-determination, a federal government that is supported by the members of the stolen generation—a federal government under Kim Beazley, which I know will have the end of this year.

Sitting suspended from 1.40 p.m. to 2.00 p.m.

QUESTIONS WITHOUT NOTICE

Telstra: Privatisation

Senator MARK BISHOP (2.00 p.m.)—My question is to Senator Alston, the Minister for Communications, Information Technology and the Arts. Can the minister confirm that, if re-elected, the Howard government will sell off the rest of Telstra during its next term of government? Hasn’t the Howard government’s real intentions on Telstra been publicly revealed in Budget Paper No. 1 at page 2-15? Can the minister confirm a media report today indicating expected revenue of $14.3 billion from the sale of Telstra in the financial year 2003-04? Will the minister finally drop his tricky and dishonest statements on the full privatisation and admit—

The PRESIDENT—Order! Senator Bishop, that is reflecting on a senator. Those words should be withdrawn.

Senator MARK BISHOP—I withdraw. Will the minister finally drop his statements on the full privatisation and admit that the Howard government intends to flog off Telstra if it is re-elected?

Senator ALSTON—It is very interesting that the Labor Party seem to be obsessed with privatisation. I suppose it is not surprising, given that they invented the concept in Australia. Do you remember Mr Beazley boasting at the National Press Club how, during his term in office, they had managed to privatise 11 government business enterprises? There was basically nothing left when we got here. They cleaned the place out. Of course, the tragedy of it was that they did not use it to retire debt; they actually spent everything and more. They went into deficit and they still kept flogging the family silver and they still kept using the proceeds for recurrent expenditure. If you really want to know what a case study in ‘mean and tricky’ is, just go back and look at what happened when Mr Keating was Prime Minister. I forget who his deputy prime minister was at the time. It may not have been Mr Beazley at that very point, but of course he was right up there, wasn’t he? He had his hands on the tiller. What Mr Keating did with the Commonwealth Bank was to swear on a stack of bibles that they had no intention of going further. They sent out a prospectus to that effect—I think Ralph Willis was the Treas-
urer. So we have the absolute high-water mark of dishonesty.

You asked us about our intentions on Telstra. We have made them plain on many occasions. There was the Besley inquiry. I am not talking about Beazley. Some people get quite confused when you mention Besley. They are horrified. They think, ‘Why would you want to give someone like that any responsibility at all for looking at the adequacy of telecommunications services?’ The Labor Party have shown no interest at all in any of the initiatives that we have announced for rural Australia. The whole purpose of the Besley inquiry was to assess the adequacy of services. Until we are satisfied that proper arrangements are in place, we will not proceed further. We have not done what you would say, and that is: ‘We will never, ever.’ But, of course, once you get into government, we all know what you would do, don’t we? You would say, ‘Do not worry about l-a-w law.’ Do not lecture us about changing your mind after elections, because we know what you would do with Telstra.

Our position is perfectly plain. If Senator Bishop happens to look at the budget papers, as opposed to reading a note from someone else, he will see that we have been able to deliver something like $2.5 billion in initiatives in regional and rural Australia because of the sensible application of the proceeds. The budget papers show that we are comprehensively better off applying proceeds to eliminate debt. What we have done so far is to reduce your $80 billion in Commonwealth debt: we have repaid almost $58 billion. That is a huge saving. The debt servicing repayment, the $4 billion saved, is about the amount of money that you need to spend on hospitals.

Opposition senators interjecting—

Senator ALSTON—Do you want to give us a lecture about what to say before an election and what to say afterwards? What the Labor Party have done so far is to not promise us anything before the election. They are going to give us a series of directions. They are going to withhold any firm promises until the election. So everything you are going to do is going to be after the election. Fortunately, of course, you will not be there, so it is a bit academic. The idea of saying something before the election and doing something else afterwards— (Time expired)

Senator MARK BISHOP—Madam President, I ask the minister a supplementary question on this issue. Does the minister recall his own words on Telstra only last week when he said, ‘Privatisation is not on my agenda.’ How does this statement fit with the finance minister’s comment last week that the full sale of Telstra was ‘inevitable’? Did Mr Fahey know something that Senator Alston did not? Hasn’t the Commonwealth Treasury let the cat out of the bag in last night’s budget papers? Admit it, minister: you intend to flog off Telstra if you get another term, don’t you?

Senator ALSTON—The first thing to be said is that the only item on my agenda last week was the response to Besley. The Labor Party’s response to our response was, ‘It was not enough, because you could have got more from flogging spectrum or you could have got more from other sources,’ implying that they would have spent more when of course they are not in favour of spending one red cent in regional Australia. I have only one question for you, Senator Lundy: why is it that Carmen Lawrence has been going around the IT industry—

The PRESIDENT—Order! Senator Alston, you are out of order to be asking questions across the chamber.

Senator ALSTON—I apologise, Madam President. I simply meant that Senator Lundy might be very interested to know why Carmen Lawrence has been going around bagging Senator Lundy remorselessly to the industry. I think it is very unfair and unfortunate, but these things do happen.

Senator Faulkner—What about the question?

Senator ALSTON—I am answering it. What Mr Fahey certainly had in mind was Labor’s track record in relation to Telstra. We have never backed away from our policy position. If you look at the budget papers, you will see that we have deferred and we
have accounted for the proceeds—(Time expired)

DISTINGUISHED VISITORS

The President—Order! I draw the attention of honourable senators to the presence in the chamber of a delegation from the European parliament, led by Mr James Nicholson. On behalf of honourable senators, I have pleasure in welcoming you to the Senate chamber and trust that your visit will be informative and enjoyable.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Howard Government: Economic Management

Senator PAYNE (2.08 p.m.)—My question is to the Leader of the Government in the Senate, Senator Hill. Will the minister inform the Senate of how the responsible economic management of the Howard government is helping Australian families? Is the minister aware of any alternative policies and of the impact if these were implemented?

Senator HILL—Certainly I am pleased to do so, because this budget above all continues sensible, rational economic management—what the government lacked for so long under the Australian Labor Party, what it lacked for 13 years under the ALP, but which has been delivered for the last five years under the Howard coalition government. Among the many positive statements welcoming the budget, the Property Council of Australia was spot on with its summary, which stated ‘the budget underwrites lower interest rates’. Lower interest rates are good news for all Australians. They are good news for Australian families.

Remember again the contrast with Labor. Under Labor, housing interest rates went up to 17 per cent. Families paying off an average loan of $100,000 under Labor paid $1,437 a month. Under the Howard government, it is $695 a month. That is a huge reduction and a huge benefit for Australian families. It puts money in their pockets. It allows them to spend on the matters that they believe to be important. Last night’s budget will continue to deliver the sound economic management required to keep interest rates down. The budget delivers the fifth surplus in a row. Again, that is a stark contrast to Labor’s irresponsible spending, which, Madam President, you will recall meant that they racked up $80 billion of debt in their final years of office. In their final five years of office, they racked up $80 billion of debt. That was the inheritance of the Howard Liberal government, including $10 billion of deficit in the last year.

It was against that background that the Howard government put into place this practice of sound economic management. As I have said, we have been able to deliver lower interest rates for the benefit of Australian families and for the benefit of Australian businesses. It has also meant the government have the capacity to invest wisely in other areas. In my own portfolio, for example, Environment and Heritage, we have been able to commit in this budget an additional $1 billion to the Natural Heritage Trust to continue to support the environmental efforts of local communities. The budget delivers a major investment of $1.7 billion for our social welfare system. It invests $900 million in our health system to enhance Medicare, increase health services in rural and regional Australia and target health problems that affect Australian families. It also delivers tax cuts to businesses, investors and older Australians, because, unlike the Labor Party, we believe in lower taxes. Company tax rates will fall from 34 per cent to 30 per cent on 1 July. Combined with continued low interest rates, these tax cuts will help businesses continue to grow and to employ more Australians.

What is the alternative in this country? What are the ALP offering after five years of opposition? Of course, nobody knows. All we know is that there is apparently going to be a roll-back of the GST. In other words, if there is going to be a roll-back of the GST, which programs are going to be sacrificed? Labor, on the one hand, say they will roll back the GST, their income, but spend more money on a whole range of programs. How is that possible? It is impossible, of course. That is why they are not prepared to provide the detail. How can they provide more money for services if they are going to take less revenue? Perhaps they will do it the way
they did it before—by racking up more debt. They racked up $80 billion in their last five years. *(Time expired)*

**CSIRO: Retrenchments**

**Senator FAULKNER** (2.13 p.m.)—My question is directed to Senator Minchin, the Minister for Industry, Science and Resources. If the government is serious about its Backing Australia’s Ability program, why is it cutting 110 jobs in the next financial year from the CSIRO, the pre-eminent driver of scientific ideas and innovation in this country? Minister, doesn’t this make a total of over 900 full-time jobs which the Howard government has cut from the CSIRO? Why won’t the government back CSIRO’s ability?

**Senator MINCHIN**—I am interested in Senator Faulkner’s sudden interest in science matters. It is not something I have been aware of before. The government have backed science more strongly than any previous government. We announced in January this year a package that is the biggest package of investment in science and innovation in this country’s history. We have put on the table a five-year forward program of $2.9 billion for science and innovation—the biggest package of investment in our nation’s knowledge based economy that we have ever seen in this country.

That package was the result of two years of work involving preparations for the first National Innovation Summit, held in Melbourne last year, followed by the Innovation Summit Implementation Group and the Chief Scientist’s report on our science base. Those two reports were the major influences on the government’s Backing Australia’s Ability package. Those two reports put the principal emphasis in relation to the nation’s scientific investment needs where they fell in the Backing Australia’s Ability program—most particularly, our doubling of the grants to the Australian Research Council, our massive increase in funding for university infrastructure and equipment and a range of other programs. We have almost doubled the funding for cooperative research centres, et cetera.

In relation to our pre-eminent scientific agencies, we are in the middle of a three-year funding program agreed with the CSIRO and those other agencies. Funding for the CSIRO is something like $615 million this year which, with its external earnings, takes it to over $900 million of revenue for the CSIRO in the coming financial year. We are also funding ANSTO—a body which this mob over here completely ignore. The opposition want to shut down one of the most significant scientific facilities in this country. They are parading around, saying: ‘Let’s get rid of that reactor at Lucas Heights. We’re not going to have a bar of that.’ That is one of the most important scientific facilities in this country and they have the hypocrisy to come in here and argue about a few numbers in terms of the CSIRO. It is outrageous and ridiculous hypocrisy.

The CSIRO is a very well-funded organisation. It is in the middle of its three-year funding program. The government, as you well know—through you, Madam President—Senator Faulkner, does not dictate to the CSIRO how it employs that money or what it does with its employment. That is a matter for the management and the board of the CSIRO. It receives a generous funding contribution from the government, it has its own external earnings and it makes its own decisions on how it will deploy those funds in relation to its staffing.

The eminent head of the CSIRO, Geoff Garrett, would be more than happy to answer the opposition’s questions, I am sure, and they can be raised at Senate estimates. But how the CSIRO deploys those funds is a matter for the CSIRO. We are not going to engage in the sort of political interference in how the CSIRO undertakes its activities which the opposition would probably engage in if they were ever in government. This is not a plaything of politics. This is a matter for the board and the management of the CSIRO. We have managed to secure one of the world’s leading scientists in Geoff Garrett to head up the CSIRO, and I have full confidence in his management of the body.

**Senator FAULKNER**—Madam President, I ask a supplementary question. I note the minister did not attempt to answer the question I asked. The question to the minister is this: if the government is fair dinkum about its Backing Australia’s Ability pro-
gram announced last night in the budget, why is it cutting 110 jobs next financial year from CSIRO on top of the over 800 jobs it has already cut from CSIRO? That is the question I am asking you, Minister, and I think the Australian people are entitled to an answer.

Senator Ian Campbell—Why did you sell the CSL?

Opposition senator—What are you talking about?

Senator Ian Campbell—You sold the CSL, you hypocrite.

The President—Order! Senator Campbell, withdraw that.

Senator Ian Campbell—I withdraw.

Senator MINCHIN—It is not the government that has cut jobs from the CSIRO. We have this question coming from an opposition which, when in government, made a desperate attempt to break up the CSIRO. Senator Schacht, as the minister for science, was roundly condemned by the science community of this country for his attempted break-up of the CSIRO. We were the ones who restored the base funding for the CSIRO that was taken away from them by our predecessors.

Senator Faulkner—Why do you hate scientists?

The President—Senator Faulkner, stop shouting.

Howard Government: Economic Management

Senator FERGUSON (2.19 p.m.)—My question is to the Assistant Treasurer, Senator Kemp. Minister, can you outline to the Senate the benefits of budget surpluses, debt reduction and responsible economic management? Minister, are you aware of any alternative views on the size of the budget surplus?

Senator KEMP—Thank you, Senator Ferguson, for that very important question. The contribution of Senator Ferguson to debate in this chamber, particularly relating to the economy, is well known and it is appreciated. Last night, the Treasurer brought down a budget which was in surplus for the fifth year in a row. As a matter of history, in the Labor Party’s last five budgets, they ran five deficits. In fact, statistics show that in this period they racked up some $80 billion in net government debt. By contrast, the Howard government surpluses have been directed towards paying off government debt.

I am pleased to record that, since coming to office, the Howard government will be paying off some $60 billion of Labor’s $80 billion increase in net debt. The debt-to-GDP ratio has been reduced to around five per cent, compared with over 18 per cent when Labor left office.

Honourable senators interjecting—

The President—Order! The level of conversation in the chamber is too high. Senators should not be speaking across the chamber.

Senator KEMP—Most importantly, reducing debt has been of great tangible benefit to the Australian community. Firstly, by cutting debt and running surpluses, government policy has been able to keep the downward pressure on interest rates. An average family with a $100,000 home loan is now saving over $300 a month in reduced mortgage payments, due to the interest rate cuts which have occurred under the Howard government. Senator Hill quite rightly drew our attention to the fact that, at one stage during the former Labor government, home loan rates were in the order of 17 per cent and going north. This is in great contrast to the rates which are now being paid by home owners. Secondly, the government used to pay some $8 billion annually in interest on public debt. That was just about as much as was spent on services like hospitals and schools. Today, we pay $4 billion annually in interest on debt. This means more money can be devoted to targeted spending initiatives and tax cuts.

The Labor Party’s response to the budget last night amounted to the claim that the government has somehow squandered the surplus. This was the substance of what Mr Crean could come up with. It is astonishing when you hear attacks on a budget which is in surplus. This government has returned surpluses for five years—contrast that with
the pathetic performance of the previous government—and Mr Crean stands up and complains that we have squandered the surplus. In other words, it is the Labor Party view of Australian politics that it is their job to run up big budget deficits and rack up billions upon billions in debt. Apparently, it is our turn and our job to turn the deficit into a surplus and pay off the debt that they have run up. Labor are now complaining that we have not reduced the debt sufficiently fast. They want us to do more, apparently, so that they can start spending if by some mischance of fortune they get back into power. The Labor Party’s approach to policy, particularly how they run the economy, is well known. The fact of the matter is that the Labor Party is a high taxing party, a high spending party and high deficit party. *(Time expired)*

Superannuation Surcharge

Senator SHERRY *(2.24 p.m.)*—My question is to Senator Kemp, the Assistant Treasurer. Talking of high taxes, what is the estimated and projected income figure for the so-called superannuation surcharge? Why has the government been tricky in attempting to hide this figure by not detailing it in the estimated tax collection figures on superannuation of $4.3 billion in 2001-02, rising to $5.1 billion in 2004-05, as outlined in note 3 on page 10-10 of Budget Paper No. 1?

Senator KEMP—I regard that question from Senator Sherry as quite astonishing. I do not know whether Senator Sherry has caught up with the fact—and perhaps he has not, so I will recall it for him—that the Labor Party supports the superannuation surcharge. It is actually, Senator Sherry, your policy. In fact, your spokesmen have been asked on a number of occasions in recent months whether they propose to abolish the superannuation surcharge. I know there is a bit of flip-flopping in Labor policy, and I know you do the odd backflip and double pike, but unless you can stand up with your supplementary question and tell me that you are proposing to abolish the superannuation surcharge, then I would think, Senator Sherry, your question has no relevance. I make the point—

*Senator Sherry interjecting—*

The PRESIDENT—Order! Senator Sherry, you have asked this question. There will be an opportunity for you to ask a supplementary question if you desire to, and you should not be shouting during the answer.

Senator KEMP—I am not sure why Senator Sherry is asking this question, because it is the Labor Party’s policy to support the surcharge. The fact of the matter is—and I will say this in fairness to Senator Sherry, although I do not know why one would be fair to Senator Sherry, but because we are a decent group of people over here we can be fair—that Senator Sherry did oppose the superannuation surcharge. That is correct. Senator Sherry stood up and spoke strongly against that policy, then spent a whole lot of time talking about it and thinking about it. The truth of the matter is that he was rolled by his own party on it. His own party said, ‘Senator Sherry, you’d better turn your mind to other things, because the superannuation surcharge is staying as far as the Labor Party is concerned.’ Unless Senator Sherry can stand up and—

*Opposition senators interjecting—*

Senator KEMP—I put this challenge out. I think it is a sensible challenge.

Senator Sherry—Madam President, I rise on a point of order. The minister has had three minutes. I asked why the figures are not in the budget papers. That is the question, and he has not got to it yet. He should be relevant. He is not being relevant to the question asked.

The PRESIDENT—There is no point of order.

Senator KEMP—I am dealing with the question of the superannuation surcharge. I will take Senator Sherry’s question seriously if Senator Sherry can clarify something in his supplementary question, which I would welcome from him. Listen to this, Senator Sherry, because I know you have asked this question, because I know there is a bit of contention—

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

Senator KEMP—As I said, I have made this offer. I will take Senator Sherry’s ques—
tion seriously if Senator Sherry can stand up and clarify the Labor Party position, which is, I believe, to keep the superannuation surcharge as part of their policy. The challenge is now before you, Senator Sherry, and I look forward to your supplementary question.

Senator SHERRY—Madam President, I ask a supplementary question. Can the minister confirm that the government has undertaken yet another policy backdown, this time on the policy of the superannuation surcharge, by excluding rollover termination payments from the calculation of adjusted taxable income backdated to 20 August 1996 for low and middle income earners? Is the Howard government’s latest policy backflip a recognition of the valid—much of it—and ongoing criticism of this measure since it was introduced by the Howard government in its 1996 budget?

Senator KEMP—Madam President, what a pathetic effort. The challenge was there for Senator Sherry. All he had to do was to stand up and clarify the position. Of course, as with so many things, when it comes to the crunch you duck the issue. You cannot commit yourself. As Senator Sherry will know—and undoubtedly he will welcome—we have done some finetuning. That is correct. I think this is an appropriate response by the government because, as I have said so often, this is a consultative government. We go around and we listen to people. Senator Sherry, one thing we are not is hypocrites. For you to stand up and talk about the superannuation surcharge when it is part of your policy is quite disgraceful.

Unemployment

Senator STOTT DESPOJA (2.30 p.m.)—My question is addressed to the Assistant Treasurer, in response to the statement that he tabled in the Senate last night. Is the minister aware that unemployment in Australia has grown by 53,000 people since January and that long-term unemployment has risen by 16,000 extra people since January this year? Given the minister’s statement last night, which forecasts an unemployment increase to seven per cent, assuming the government’s growth forecast is met, why does this government continue to refuse to implement job creation strategies, of which there are none in the budget? Do the government and the minister think that training 670,000 out of work Australians to apply for an ABS estimate of 95,000 jobs is likely to reduce unemployment?

Senator KEMP—Let me say that I welcome the first question that the senator has asked as Leader of the Australian Democrats. I am sure I will look forward to many more from her. Let me just add some context to the question that Senator Stott Despoja asked. Senator, we have a very proud record on job creation. Over 800,000 jobs have been created since this government came to office—a great record. We have been able to run an economy at high levels of growth, which has helped cause that job creation.

This government is entirely focused on dealing with the key problem of unemployment. The truth of the matter is that we would have liked to go further than many of the reforms that we have made in relation to labour markets, but we were stopped by the Australian Democrats, who decided to join with the Labor Party. I think that, as the years roll on, that will be to the demerit of the Australian Democrats. Many of our tax cuts have been designed to make businesses more competitive. Senator, you would have been very happy with the announcement made on the car industry last night and the full input tax credits. I would have thought that, as a senator from South Australia, you would have particularly welcomed that announcement.

The PRESIDENT—Senator, your remarks should be addressed to the chair.

Senator KEMP—Madam President, the point is that history has shown that the unemployment problems are not solved by attempts at quick fixes. What you have to do is get your economy right. You have to get interest rates down, which we have done. You have to make sure that the exports are competitive. One of the great things about tax reform has been the assistance that has given to the export sector. Not surprisingly, in the last 12 months we have seen very strong growth in that area.

Senator, let me make it clear to you that this government does rate the issue of unem-
employment as a key issue. So many of our reforms and the ways we attempt to manage this economy are devoted to getting those levels down. We have had some success. I think, in fairness, Senator Stott Despoja would have to acknowledge that in this area the government has shown a great deal of success in its term of office. Of course, we can go further. No-one doubts that. That is why we have to make sure that the management of the economy is sound and we do not return to the bad old days of Labor, which created huge levels of unemployment in this country. At one period I think it topped the 11 per cent mark.

Senator Robert Ray interjecting—

Senator KEMP—Senator Ray calls out. Of course, Senator Ray, as a senior minister, would have been a bit ashamed of that performance, to be quite frank. Senator, I think that you have to recognise that we have made progress in this area. I want to assure you that the need to create jobs is very much in the focus of this government.

Senator STOTT DESPOJA—I have a supplementary question to the Assistant Treasurer. I assume from the Assistant Treasurer’s remarks that he does accept those figures relating to unemployment increases. I ask the minister: does he believe the current unemployment rate—or indeed a forecast rate of seven per cent—is acceptable? Given the minister’s spirited defence of a surplus in this place today, does he recognise that, for example, a one per cent decrease in unemployment in Australia would actually add to the surplus around $1.5 billion, although that would be in the future? Given this government’s spirited defence of the input tax credits in relation to cars, does the minister accept that the $670 million being spent in that area is $670 million more than this government has spent on specific job creation measures in this budget?

Government senators interjecting—

The PRESIDENT—Order! Senators on my right will cease interjecting.

Senator KEMP—I thought that was a rather ungracious response to my answer. Let me throw this challenge out to Senator Stott Despoja: one of the issues that small business brings to our attention, which it indicates is preventing it putting people on, is the unfair dismissals issue. I do not have the figures, but from memory in the order of 50,000 jobs may be created if we can change that bill. Senator Stott Despoja, if you are sincere on this issue—and I have no doubt that you are—

The PRESIDENT—Order! Senator Kemp should address the chair.

Senator KEMP—Madam President, I throw a challenge out to Senator Stott Despoja to lead her party to change its policy on the unfair dismissals bill and we can then have some real job creation in this area.

Goods and Services Tax: Charitable Organisations

Senator McLUCAS (2.37 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Can the Assistant Treasurer confirm that last night’s budget makes it crystal clear that the Howard government plans to do precisely nothing to lift the massive tax compliance burden on charities? Can the minister explain the logic, or the policy imperative, behind continuing to impose this burden which St Vincent de Paul has calculated to be $1 million a year for its charitable operations alone? Would that money not be better spent delivering desperately needed services to the ever increasing number of poor and vulnerable people in the community rather than being clawed out by this mean Howard government?

Senator KEMP—Madam President, let me respond to the question—

Honourable senators interjecting—

The PRESIDENT—Order! Senator McLucas has asked a question and Senator Kemp is the minister called to answer it.

Senator KEMP—Let me make a general response before I get to the particulars of the question from Senator McLucas. The general answer is that you referred to this government as mean, and then, almost in the same breath, your colleagues refer to this government as a high spending government. Can I make a plea to the Labor Party? Could they get their lines right? Then we can have a debate. Either we are a high spending government which has squandered its surplus, ac-
cording to Mr Crean, or the Labor Party could run the line that we are a mean government. However, the truth of the matter is that they cannot work out what line to run. The public is on to the Labor Party and their utter policy confusion on these issues.

It is fair to say that Senator McLucas has probably taken some interest in this area of charities. A great deal of work has been done to assist charities in their compliance costs. Let me remind Senator McLucas that the government has introduced a number of measures to assist charitable organisations to implement and comply with GST compliance. For example, small branches of charities with an annual turnover of less than $100,000 may opt out of the system, thereby allowing small entities run by charities to run fundraising events without any GST consequences. That was a very important measure which was sought by the charities and it was delivered. I do not know whether Senator McLucas has forgotten that, but I am glad to remind her about it.

A great deal of work has been done to work with charities, to assist them to bring them up to speed in relation to GST compliance. I can assure Senator McLucas that we will continue to work with charities. We believe that charities perform an absolutely vital role in this community. Of course, one of the advantages of tax reform is that it took off many of the embedded costs that charities had to bear and was able to deal with the particular issue of embedded taxes, and charities benefited from that.

Let me make it clear that a great deal of effort has been made to work with charities. The legislation has been amended a number of times to assist charities. We will continue to work with charities because we recognise the extremely important role that they play in the community.

Senator McLucas—Madam President, I ask a supplementary question. Irrespective of the Assistant Treasurer’s meandering response, why has the Howard government done absolutely nothing to assist charities which are doing their best to pay for essential items such as electricity and phone bills on behalf of those who cannot afford to pay themselves? Is the minister aware that St Vincent de Paul estimates that the Howard government grabs $350,000 from its clients by applying the GST in this tricky way? Why do these charities find that they cannot claim back the GST which is imposed by the government on such services?

Senator Kemp—I am a bit shocked to find that Senator McLucas is attacking the GST because it was my impression that the GST was part of Labor Party policy.

Senator McLucas interjecting—

Senator Kemp—Hold on; it is not part of the Labor Party’s policy? Senator McLucas, you are making a big statement! Let me make it clear that—

Senator Faulkner—We opposed it.

Senator Kemp—Senator Faulkner says, ‘We opposed it’, but what he did not say is that they are also proposing to keep it. Let me make it clear that the government has done a great deal to help charities. As I have assured Senator McLucas, we will continue to work with charities. The GST is a broad-based tax. If Senator McLucas has a proposal on the table to change that arrangement, the Labor Party should say so.

Mareeba-Dimbulah Tobacco Quota

Senator Harris—My question is to the Senator representing the Minister for Agriculture, Fisheries and Forestry. This year is the last year of tobacco production for the Mareeba-Dimbulah area. Minister, your government removed 2.9 million kilos from the Queensland tobacco quota. This has resulted in the closure of the Queensland industry. The closing of the Mareeba-Dimbulah industry is a direct result of the government’s decision. How does the minister propose to assist these local growers and the community to continue to maintain their financial security?

Senator Alston—I am aware of the tightened economic circumstances that are facing the tobacco industry. Indeed, Minister Truss convened a joint Commonwealth-state tobacco industry task force to urgently consider the future of the tobacco industry in Australia. The discussions that have been held with Australian tobacco manufacturers and growers are against the background of a decision to reduce the purchases of Austra-
lian tobacco leaf announced last year, and those discussions have attempted to minimise the negative impact. The manufacturers have indicated that reductions will occur in both the volume and the price paid for Australian growth tobacco leaf, although more recently they have revised their offer prices upwards. The manufacturers’ decisions will have adverse economic effects on local tobacco producers and the rural communities in which they operate. In particular, North Queensland growers and growing regions face immediate difficulties. It is clear that there are commercial factors at work which I think are the overwhelming reason for the current situation.

But in terms of Senator Harris’s suggestion that the present government removed 2.92 million kilograms from the Queensland tobacco quota, my information is that that was a decision made and announced in 1995—in other words, before we came to office. It was a joint decision of the federal Labor government and the then Queensland government. In terms of the closure of the Mareeba-Dimbulah industry, again there is a state restructuring package that has been put into place by the present Labor state government, and decisions in respect of closures are simply commercial decisions that flow on from that decision that I referred to earlier to reduce the purchase of Australian tobacco leaf.

It is very much a Queensland state government responsibility. They have accepted that responsibility to the extent that they have a restructuring package in place. We will certainly continue to monitor progress of both the initiatives that the Queensland state government have announced and the impact that they might have on those communities, but at the end of the day it is not a formal federal government responsibility.

Senator HARRIS—Madam President, I ask a supplementary question. Minister, are you aware that, in the 1999-2000 taxation statistics, $4.7 billion was derived from the tobacco base surcharge? Also, is the minister aware that, based on the price of $9 for a packet of cigarettes, the government derives $5.50; the retailer and the manufacturer derive $3.44; and the farmer receives the equivalent of only 6c? Minister, there is a restructuring package that has been put in place. Would the minister commit to including the original 249 growers involved in the 1995-97 structure—

The PRESIDENT—Order! Senator, the time for asking your question has concluded.

Senator Harris—On a point of order, Madam President: my time had not expired. With respect, Madam President, I believed that you called the chamber to order. That was the reason why I sat down. I am asking: can I complete my question?

The PRESIDENT—According to my advice and the indication that I have, Senator, the time had expired.

Senator ALSTON—I do not have any reason to disagree with Senator Harris’s break-up of where the revenue goes and who gets the benefit. It simply demonstrates that tobacco growers are looking at pretty fine margins, and if there is any downturn in the industry, or if there is a reduction in the purchasing interests of manufacturers, clearly it will impact quite significantly on the growers. But that is not a reason for somehow sheeting home responsibility to the federal government for an industry restructuring package. I think that Senator Harris acknowledges that this is very much a state government responsibility. As far as option 3 is concerned, I do not know what these options are—presumably they are options that are contained in the restructuring package, and they are matters for decision by the state government, not the federal government.

Budget Surplus

Senator COOK (2.50 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Can the Assistant Treasurer confirm that the government’s projected surplus for 2000-01 and 2001-02 relies on asset sales and that, without them, the budget would be in deficit by $190 million in the current financial year and by $240 million in 2001-02?

Government senators interjecting—

The PRESIDENT—Order! Senator Cook, just a moment. Senators on my right will not interject during the time the question is being asked. I need to hear the question,
and so does the minister to whom it is directed.

Senator COOK—Why has the government built surpluses on asset sales, when the Prime Minister was of the view in 1995 that this is ‘a phoney way of arriving at a balance’, and the Treasurer in 1993 said, ‘Selling capital assets and applying them to current year income is the last act of a company heading for receivership’?

Senator KEMP—Of all people in this chamber to stand up and accuse this government of misleading the public in relation to surpluses, the last person you would expect would be Senator Cook. Senator Cook—and I have said this before but because time has gone on and I may not have said this for a couple of weeks I will repeat it—was a senior minister in the Keating government. Some will be surprised at that, but he was. I can recall to the Senate that, in November 1995, Senator Cook got up in this chamber and indicated that the Labor Party budget was in surplus. He was only out by about $10 billion.

Senator Cook—That is not true.

Senator KEMP—He shakes his head and says that is not true but Senator Cook has never got up and corrected himself. He has never got up and apologised to the Senate for misleading it and he has never got up and debated the issue.

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

Senator KEMP—I am making the point that of all people to be querying this government on the honesty and propriety of its budget papers, one would have to say that Senator Cook would be just about the last person in this chamber you would expect to do it.

This government follows appropriate accounting rules. They are transparent, honest and forward. The surplus is soundly based. We do not include in the surplus the sales of the Commonwealth Bank and Qantas like the Labor Party did. We do not actually follow the principles of the former government. The fact of the matter is that this is a soundly based and honest surplus and it will stand up—let me assure Senator Cook—to the closest scrutiny.

One of the reasons, as Senator Cook will remember, that we brought in a charter of budget honesty was to make sure that the accounts were explicit and transparent. That is exactly why we did it. One of the reasons we brought in that charter of budget honesty was to stop the likes of Senator Cook and company—

Senator Sherry interjecting—

Senator KEMP—Senator Sherry, you are back on it again. You have got to try and get off it, Senator, for a moment. It is your party policy. That is the point I am making.

Let me assure Senator Cook that this is a very soundly constructed budget. It is an honest surplus and the government, I can assure you, is very proud of its fiscal record; and to have returned five surpluses in a row is quite historic and shows you the responsibility and prudence of the Howard government.

Senator COOK—Madam President, I ask a supplementary question. In view of the fact that the Assistant Treasurer never answered the question and in view of the fact that the Prime Minister called this ‘a phoney way of arriving at a balance’ and the Treasurer described it ‘as the last act of a company heading for receivership’, can the Assistant Treasurer clarify for the record just what is the government’s current view of arriving at a budget surplus by including the proceeds of asset sales?

Senator KEMP—We follow the rules, Senator, which are laid down by the ABS. We do not include in the budget surplus the sale of financial assets like the Labor Party did. I hope that makes it clear to Senator Cook.

Welfare Reform

Senator NEWMAN—My question is directed to the Minister for Family and Community Services, Senator Vanstone. Can the minister inform the Senate what the government is doing to get people back into work? Is the minister aware of any alternative approaches?
Senator VANSTONE—I am very grateful to Senator Newman for that question. It was after all Senator Newman, when she had the job that I now occupy, who started the process of welfare reform—a process that was completely ignored by Labor. I have the opportunity to simply put the icing on the cake but a large amount of the work—most of the work—was done by Senator Newman before I in fact arrived in the portfolio.

Honourable senators interjecting—

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

Senator VANSTONE—What the reform package announces is $1.7 billion in commitments to help people on income support get back into work. The package entitled ‘Australians Working Together’ is one that builds on the excellent McClure report and the consultation that we have had with the community sector. I take this opportunity to thank Patrick McClure and all the community sector people who contributed to the development of this package.

Honourable senators interjecting—

The PRESIDENT—Order! There are senators speaking to each other across the chamber. It is disruptive and disorderly.

Senator VANSTONE—It is very clear to this government that the Australian people want a modern social support system. They want one in which everyone participates. They do not want a system that simply passes over money—simply gives out handouts—and they do not want a system that forgets about people and leaves them behind. This package sets out very clearly our vision for welfare in the future. We want people to become engaged in Australia’s economic and social life. We want to foster self-reliance amongst Australians of work force age. The package is a massive investment in support for the most disadvantaged in our society: the long-term unemployed, people with disabilities, mature age unemployed and people with severe and multiple barriers to employment.

As I said, we commit to $1.7 billion in spending. Within that, we will resource Centrelink by $480 million to give a more personalised service, better assessments and improved technology systems for income support recipients. We will spend $506 million to dismantle the welfare trap by providing much better financial incentives to take up work. Under the previous government there was a call for people to find work but the financial incentives were not there. We have put them in. We will spend $62 million on a special program to help people overcome complex obstacles to employment: for example, people who might have an alcohol or drug problem. We will spend $111 million on training credits and give a $177 million shot in the arm to people with disabilities to help them.

The question asked was whether I was aware of any other alternatives. The short answer, Senator Newman, is no. I am not aware, and the Australian public are not aware, of what Labor would do with the welfare system. They are aware of what Labor did with it—nothing. But they are not aware of what Labor would do were it one day to strike it lucky and ever get back into government.

I am confused as to the Democrats’ position on this matter. I had thought that Senator Stott Despoja, having got out the knife and said that she would be a better leader, would have realised that when you say things like that you have to deliver. You cannot, as the leader of a party, in your first comment on a budget, go on the ABC and get it massively wrong and misstate what is in the budget. I say to Senator Stott Despoja that she has to do a better job. If she wants to tell people that she offers moral leadership, she has to tell the truth and get it right. If she is unaware that she has got it wrong, I will offer a briefing to her and she should tell the media where she got it wrong and why. You cannot claim to be a moral leader, go out and get it wrong and then not tell them and hope it gets forgotten, because it will not be. (Time expired)

Senator Hill—Madam President, I ask that further questions be placed on the Notice Paper.
ANSWERS TO QUESTIONS WITHOUT NOTICE

Budget 2001-02

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (3.02 p.m.)—I move:

That the Senate take note of the answers given by ministers to questions without notice asked today relating to the 2001-02 budget.

Last night’s budget was the Shane Stone budget. We know Shane Stone—he is the President of the Liberal Party. Recently he wrote a letter to the Prime Minister, in which he described the Liberal Party as ‘mean and tricky’. In that letter to the Prime Minister, he said:

Perhaps the most telling and recurring comments centred on the view that we—that is, the Liberal Party—had gone out of our way to ‘get’ the very people who put us there.

They are the remarks of the President of the Liberal Party.

Last night’s budget was an effort by the Liberal Party to claw back support from the very people they alienated from their own heartland. It was a budget that is still, however—to use Shane Stone’s words—‘mean and tricky’. It is mean because it does not deal fairly with all Australians—it is targeted for electoral advantage. We support the measures for self-funded retirees and so forth, but we do think other Australians should get equal entitlement. It is tricky because it does not disclose the facts about the situation in Australia.

During question time today I asked the Assistant Treasurer a question about the budget surplus. Before I go to the details of the budget surplus, let me quote from the Treasurer of Australia. On 30 August 1993, Mr Costello, referring to including asset sales in a budget, said:

It is selling off an asset and using it for the year’s income. No reputable company would be allowed to do that. That would not be permitted in a prospectus. Companies that start selling capital assets and applying them to current year income are generally marked down for receivership. Everybody knows that that is the last act of a company heading for receivership.

The Treasurer of Australia said that in August 1993. Last night he did exactly what he repudiated then: he included asset sales in order to put the budget in surplus. If those asset sales had not been included, the budget in this current financial year would be $190 million in deficit and in next financial year, 2001-02, would be $240 million in deficit. If Peter Costello had kept his word, last night’s budget would not have been in this boastful surplus that the Liberal government has waved around Australia; it would in fact be in deficit. Tricky? Yes. But is he the only one involved? No. Let us go to another quote—this time from 2 May 1995:

I have very very strong beliefs that what will happen is that the Government will bring in a phoney balance. It will produce a budget where there is a balance but it will arrive at that balance by including the proceeds of asset sales, which of course is a phoney way of arriving at a balance...

I would imagine that the public will see through that and will be very angry at having been deceived by the Government.

Who said that? John Howard in a doorstop on 2 May 1995. What did the Prime Minister do last night? He brought in, to use his own words, a ‘phoney balance’. Another tricky manoeuvre to pretend that the books of this country are better than they really are.

We have seen the performance of this government during the course of its five years in office, when it said one thing and did another. Last night it gave with one hand and it took with the other. Last night it favoured the big end of town against ordinary Australians. Last night it did not rule for all Australians; it ruled for those Australians it considered were part of its voting block but who have now deserted the government in order to lure them back. It ran a political budget, when this country needs an economic one. It ran a budget with no vision. This country has a future, but you do not know what it is if you talk to this government. The only way you can find out what the future of this country should be is if you talk to Kim Beazley about his knowledge nation vision. Last night we had nothing for education, when the future of this country is in educating young Australians to take their place in the world. (Time expired)
Senator TIERNEY (New South Wales) (3.07 p.m.)—What a contribution! I am absolutely amazed that the Labor opposition has the hide to get up and try to attack this budget. Let us look at the history of the Labor Party. I will tell you the tale of two years: the year 2001 compared with 1991. In 1991, Labor was in government and had created a recession. There were one million people unemployed. We had 11 per cent unemployment and were heading into record deficits. At the depth of the Keating ‘recession we had to have’ we got up to $23 billion in deficit. That meant that over the last five years of the Labor government they racked up $80 billion in public debt. This government has paid back $60 billion of that. In addition, in this budget, due to good financial management by the Howard government over the last five years, we have produced five surpluses in a row. What did Paul Keating do? He produced five deficits in a row and sent Australia further and further into debt.

Through the budget tightening in the early years of the Howard government, we put our economic house in order and now, at this point and over the last few years, we are able to distribute some of that benefit. Last year we did it through a particular focus on health, and I am delighted as a rural and regional Senator that a lot of that focus was on rural and regional health. This year the focus is on older Australians—those people who have contributed so much to our society in the last century and who are now looking forward to a much more comfortable retirement in this century, because what we have delivered for them in one hit is something that no other government has ever done in the past. What we have been able to do for older Australians particularly—and this is the most dramatic measure—is increase the tax free threshold to $20,000. Under the previous Labor government, the amount was $5,700. We moved the threshold to $10,000, and we are now moving it to $20,000. This means that older Australians do not pay any tax at all on the first $20,000 of income. There is greater access to the seniors card. There is also a better deal on Medicare benefits and there is a closing gap in doctor-patient benefits.

So we are continuing the health initiatives of the last budget and further enhancing them. But we are doing a lot more in terms of securing proper support for the incomes of older Australians. For those people who have tried, in particular, to fund their own retirements, not only do we want to reward them for that but we want to send a very strong signal to the following generation that it is a worthwhile thing to do—that it is worthwhile while taking out super; it is worthwhile while providing for your retirement, and the government will come in and support that as well. That is one of the strongest measures in this budget.

There is great news for regional and rural Australia in this budget, particularly in my own area. We have seen the growing effects now of what is going to be a much needed improvement in infrastructure, particularly the road systems. This government will put an extra $1.6 billion into roads over the next four years above what was previously budgeted. This will be delivered to councils on a pro rata basis. In addition, strategically, we have increased funding on roads such as the F3 freeway in my area—$80 million will be spent to unclog the parts of that freeway that have difficulty because of the volume of traffic flow.

The Backing Australia’s Ability statement, presented prior to this budget, provides an extra $2.5 billion for education and innovation in this country. We have doubled ARC grants—something Labor was never able to do. We are putting more money into student places. I am delighted to see that 1,800 of those extra places are earmarked for regional Australia, which is really great for the University of Newcastle in my area—Australia’s premier and leading university. Through measures such as this, this government has delivered benefits to all Australians from its surplus. (Time expired)

Senator GEORGE CAMPBELL (New South Wales) (3.12 p.m.)—A number of alarming things have come out of the budget that was handed down by the Howard government last night. The first issue is the creative accounting that has delivered a phoney surplus in this budget. My colleague Senator Cook has already gone to that issue.
Once again, it demonstrates the tricky nature of the way in which this government attempts to deceive or deal with the Australian public. The second issue that is transparent when you look at the budget handed down last night is the impact that the GST has had on the economy and the inaccuracy of the MYEFO forecasts that are now there for everyone to see. We have seen the slump in housing investment, in retail investment and in household consumption, and dwelling and nondwelling construction have all been GST reduced. But the MYEFO forecasts for the introduction of the GST were hopelessly inaccurate and have now been revised to show the full effect. On top of that, economic growth has fallen; it was negative in the last quarter. Domestic demand is down, employment growth has plummeted and new capital expenditure is down by five per cent.

The third issue is that we have a government that is running scared of the electorate and has used the budget—as Senator Cook said, a political budget—to try to buy votes in order to hang on to office. It is a budget that has no vision for the future of this country. It is a budget that is not about laying a foundation for the future economic wellbeing of this country. It is a budget that has simply targeted its impact over the next two or three months to give this government the best chance of clinging on to office, which is pretty tenuous for it at the current point in time. The reality is that—despite what is said by Mr Costello, the Prime Minister and other people on the other side of this chamber—this government is the biggest taxing government in the history of this country.

The fourth issue is innovation. The government released a statement in January entitled Backing Australia’s Ability, in which it targeted $2.9 billion at innovation. What they did not say when they introduced that package was that they had already taken $5 billion out of the economy over the previous five years. So, despite that package, there was a net loss to innovative programs and our economy of something like $2.1 billion over the time of this government.

Let us look at what happened in the area of research and development. The government introduced an R&D package in January. It has not even got up and running, and it has already cut the funding. It has cut the funding in the R&D START program by $38 million. This is a government that says it is committed to research and development and to innovation, yet it has cut the funding that it committed in January before the program has even got up and running. The government’s net outlay on the R&D premium is a total of $5 million. The government’s position in respect of these issues is an absolute disgrace.

There is a minister in this parliament who does not understand his portfolio, does not care about his portfolio and does not care about the development of industry in this country—the current Minister for Industry, Science and Resources, Senator Minchin. He has done nothing to drive innovation since he has held that portfolio. He does not understand the issues, he does not care about the issues, he does not understand what is needed in terms of getting our industries up and running, and that is very obvious from the outcomes for research and development in this budget. (Time expired)

Senator MASON (Queensland) (3.17 p.m.)—It may come from enjoying a sense of history, but I have always believed that when it comes to the opposition you always remember how they performed the last time they were in government. You do not listen to what they say; you always remember what they did. Over their last five years in government, they spent $80 billion that they did not have. They put it on Australia’s Bank-card.

Senator Faulkner—You are not starting that method acting again, are you?

Senator Carr interjecting—

Senator MASON—The coalition government was returned in 1996. And what have we done over the last five years, Senator Faulkner? We have repaid $60 billion of the deficit that you created.

Senator Carr interjecting—
Senator Faulkner—Madam Deputy President, I raise a point of order. Senator Mason is overacting.

The DEPUTY PRESIDENT—There is no point of order, Senator Faulkner. However, I would ask Senator Mason to address the chair, and I ask Senator Carr to cease interjecting.

Senator MASON—My sense of history goes back a bit further than that. Just remind me, Senator Carr: who was the finance minister then?

Senator Tierney—Kim Beazley.

Senator MASON—And who was the Deputy Prime Minister then?

Senator Tierney—Kim Beazley.

Senator MASON—Mr Beazley—shock horror! And the money that we have paid back—the $60 billion that this government has paid back out of the $80 billion deficit that they created—has left us with $4 billion a year that we can spend on education, schools and hospitals. They created the debt and we can spend $4 billion extra a year because we do not have to pay the enormous interest bill that they created.

Senator Cook talks about asset sales. It is funny: Senator Cook says, ‘The dreadful coalition has used asset sales to create budget surpluses.’ This lot used asset sales to create huge budget deficits. Not only did they do that; they also sold off all of Australia’s family silver. They sold off the Commonwealth Bank—it may have been a good idea. They sold off Qantas—it may have been a good idea. But the problem with the ALP always is that they get the money and they cannot pay off debt. Imagine running your personal finances like that. They get their hand in the cookie jar and they cannot get it out. You would think the Labor Party may have, if they were responsible, paid off the debt they created. But what did they do with the debt they created, having sold off the family silver? They spent it all, in an orgy of spending, overseen by the then Minister for Finance who was—

Senator Tierney—Kim Beazley!

Senator MASON—Mr Beazley! Over the next four years, the coalition government will spend an extra $1.7 billion on welfare, which is an extension of the mutual obligation philosophy that underpins the coalition government. It is a philosophy that they do not agree with on the other side. Let me say that again: the Labor Party do not believe in mutual obligation. I have said it many times before, and I will say it again: the next time they get into power—whenever that is—they will eventually accede to mutual obligation. They will call it something else, but they have no understanding of contemporary Australia. There is no way the government can deliver services unless individuals are prepared to give something back. This lot are against that. They think the states should give out welfare forever and individuals should return nothing. Australians do not believe that. Australians believe in work for the dole. Senator Faulkner, Senator Carr and co. are against mutual obligation; they are against work for the dole; they are against anything where people have to give something back. In conclusion—

Senator Faulkner—Oh, no, don’t. Go on; you are doing us a tremendous service.

Senator MASON—Senator Faulkner, all I ask is that the Australian public—and there are young people up there in the gallery—when it comes time to vote, remember what this lot did to their country; they indebted it and they went on an orgy of spending and corrupted their future.

Senator CARR (Victoria) (3.22 p.m.)—Senator Mason has just told us how much the Liberal Party is interested in history. All we have heard is his interest in history extending to histrionics. Clearly, he has an inability to deal with the past. His real problem is that he has failed to focus on what this budget is actually about. That is a problem when you get onto the back bench of the Liberal Party: you have to be able to read the script. The script here is that this is a budget that actually focuses on pork-barrelling. There is a great history of pork-barrelling in the Liberal Party—we understand that, and I would have thought that Senator Mason would have a clearer view of it. It is a very long and dishonourable history in fact, and we see that this government does not have any claim to subtlety on this issue at all.
The government says—unlike Senator Mason—that it is actually interested in the future. In this budget we see that the future for this government seems to consist of very little of anything other than its own future—a future that it sees in terms of what is occurring over the next couple of months. That is the future that this government is interested in. It is not interested in the future of the country. This government measures the future in terms of months, not years. That is hardly a long-term strategy, even for Senator Mason. That is hardly a long-term strategy at all.

This budget is essentially a pretty grubby exercise. Here is an attempt to buy back the support of a group of people that this government in the past had regarded as its natural constituency. The senior and aged citizens of this country are being asked to come back to the government, and they are being paid to do so in the eyes of this government.

The Labor Party—and Senator Mason ought to appreciate this—are not opposed to a sustainable retirement income policy, nor are we opposed to guarantees of income security for Australians. In fact, it is an area of social policy, Senator Mason, as you understand history, that we pioneered. We were opposed quite strongly by the Liberal Party in all the actions that were taken by the Labor Party, and all the ideological precursors of the current Liberal Party took the view that this was not a social entitlement. Of course the Labor Party demonstrated yet again how wrong the Liberal Party was on those matters.

Here we have a cynical government seeking to win back support from people who have abandoned them. And there is a huge cost involved in this exercise. Firstly, we have the assumptions built into this budget. There is an assumption that this is going to somehow or other produce a surplus—and I know that other Labor speakers have already pointed out just how fallacious that argument is. Remind us, Senator: it was only in March that this government predicted that there would be a surplus of $3.2 billion. We can look at the growth forecast, the inflation forecast and the unemployment forecast contained in this budget with a similar level of cynicism. A close examination of this budget shows that it assumes that there will be continuing global growth. It assumes that the United States economy will continue to remain prosperous. It assumes a low Australian dollar. It assumes that there will be continuing prosperity in the resources sector. These are all assumptions that are open to challenge.

If we look at the detail of this budget in terms of its attitude towards the arts—the National Library, the National Archives, the National Gallery—and in terms of science—the CSIRO—and in terms of education, we notice that all of these areas are grossly neglected by this government. In fact, in many of these cultural institutions quite savage cuts are being imposed. This country is still the fourth bottom nation of the OECD in terms of our average spending on education. This government does not do anything about that. We have a government that does not seem to have vision beyond its immediate political survival, and it is a budget that reflects this lack of vision. There are no real new opportunities being presented.

In the Age today there was a memorandum from a person presented as Shane Stone, and it said:

This one is overwhelmingly, unashamedly, about repairing political damage ... Let me be blunt. The big worry is that it will be seen as an utterly cynical exercise, too little too late. And too smart by half. And tricky too, especially when it comes to the surplus ... Forget about bringing home the bacon. This is a budget to save our bacon—

To me that sums up the situation perfectly. This is a government that has lost its way. This is a desperate attempt to regain some initiative amongst groups of people who have traditionally supported it. It will fail.

(Time expired)

Senator STOTT DESPOJA (South Australia—Leader of the Australian Democrats)  (3.27 p.m.)—I rise on behalf of the Democrats to address the issues in question time today that relate to the budget. The Democrats are well aware of the fact that Senator Carr and other Labor members would have you believe that this budget is mean spirited, tricky and economically irresponsible. On the other hand, I have just heard Senator Ma-
son and others in a spirited defence of this budget and the economic record of this government.

The Democrats are well aware that the truth lies somewhere in between. We have commended a number of the small initiatives we have seen in this budget—some in relation to welfare, some in relation to, for example, the Australian Research Council funding and the Alcohol Education and Rehabilitation Foundation for which we are responsible in terms of initiating that. There is some money there for the ABC, but it is pretty pathetic in comparison to the amount of money that has been cut by government. And certainly some of the payments for senior Australians are endorsed by the Democrats.

However, when we were told that welfare reform would be a centrepiece of this budget we were fooled because clearly welfare is a footnote in the context of this budget. Reports that more than $1 billion will be spent over four years is clearly wrong, given that in the first year we will see spending of around $78 million maximum and over four years we will see less than $1 billion net spent on welfare reform.

The government seem to have cherry picked from the McClure proposals, despite their talk—not only in the Senate today but also last night in the media—that they were endorsing McClure’s recommendations. What they seem to have done is cherry pick the bits that relate to punitive measures or mutual obligation, specifically the extension of Work for the Dole—although it is debatable whether that is endorsed by McClure—and they have failed to look at the issue of supplements for work or participation assistance for those people who are not only unemployed but may also be poverty stricken.

Senator Vanstone, in her comments to the chamber this afternoon, was all set to have a great go at me. Although she did not explain to what she was referring, I suspect that she was alluding to comments I made on Lateline last night on ABC television. If I have misrepresented the Senate or misled any Australians, I do unreservedly apologise. I am aware of the fact that I had a short period of time in which to refer to the changes to the parenting allowance and I wanted to make clear for the record that parents with children between the ages of six and 12 would have to attend a compulsory interview with a view to assessing their appropriateness for work, etc. Similarly, parents with children between the ages of 13 to 15 would have to engage in six hours per week of work training or community work. I am well aware of that distinction, but I suspect in my comments—and this is something I pointed out to my staff immediately afterwards—that I may have given a mistaken impression that the six hours per week applied to those parents who had children under 13. If there is any mistake there, I certainly apologise. I do not think it is really the stuff of Senator Vanstone’s beat-up and what she tried to imply in the Senate today. Ever since Senator Crowley and I exposed that good old fictional Wright family, Senator Amanda Vanstone has been looking for a way to get back at us.

In relation to the budget overall, this has been a wasted opportunity. There is no vision there. There is no real attempt to address the fundamental economic, social and environmental problems that beset us in Australia. It is clearly full of pre-election sweeteners and some nasties as well. The Democrats will be assessing all those measures on their merits. We will not support measures that are designed to hit hard those already living in poverty. We believe, as expressed in my comments to the Assistant Treasurer in question time today, that this budget has failed manifestly to even look at job creation strategies. There is nothing that we can see in this budget that is specifically about creating jobs. Certainly there are initiatives for training, although I noted an interjection from Senator McGauran that suggested a work creation measure was actually Work for the Dole. So it shows how far out of touch he is. I think even Minister Abbott and others admit that it is not a labour market program, it never has been, and it is certainly not working as one. Overall, this has been a lost opportunity: a failure to invest in our future. It is lacking vision and is certainly not a blueprint for a sustainable economy. It was not a 21st century budget. It was short-sighted. It was designed to win back and shore up votes
that this government believes it may have lost. In that respect, we find it unfortunate. There are a number of small measures that the Democrats have commended, but overall we are very disappointed. (Time expired)

Question resolved in the affirmative.

PETITIONS

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

Australian Broadcasting Corporation: Independence and Funding

To the Honourable the President and Members of the Senate in Parliament assembled:
The petition of the undersigned shows:

(1) our strong support for our independent national public broadcaster, the Australian Broadcasting Corporation;

(2) our concern at the sustained political and financial pressure that the Howard Government has placed on the Australian Broadcasting Corporation (ABC), including:
   (a) the 1996 and 1997 Budget cuts which reduced funding to the ABC by $66 million per year; and
   (b) its failure to fund the ABC’s transition to digital broadcasting;

(3) our concern about recent decisions made by the ABC Board and senior management, including the Managing Director Jonathan Shier, which we believe may undermine the independence and high standards of the ABC including:
   (a) the cut to funding for News and Current Affairs;
   (b) the reduction of the ABC’s in-house production capacity;
   (c) the closure of the ABC TV Science Unit;
   (d) the circumstances in which the decision was made not to renew the contract of Media Watch presenter Mr Paul Barry; and
   (e) consideration of the Bales Report, which recommended the extension of the ABC’s commercial activities in ways that may be inconsistent with the ABC Act and the Charter;

Your petitioners ask that the Senate should:

(1) protect the independence of the ABC;
(2) ensure that the ABC receives adequate funding;
(3) call upon the Government to rule out its support for the privatisation of any part of the ABC, particularly JJJ, ABC On-line and the ABC Shops; and
(4) call upon the ABC Board and senior management to:
   (a) fully consult with the people of Australia about the future of our ABC;
   (b) address the crisis in confidence felt by both staff and the general community; and
   (c) not approve any commercial activities inconsistent with the ABC Act and Charter.

by Senator Lundy (from 21 citizens)

Australian Broadcasting Corporation: Independence and Funding

To the Honourable President and Members of the Senate assembled.
The petition of the undersigned draws to the attention of the Senate the decline in funding for the ABC and asks the Senate to call the Federal Government to:

1. support the independence of operation of the ABC Board, management and program makers, and support an ABC that is free from both commercial and political pressures;

2. so as to eliminate the practice of making political appointments to the ABC Board, support the establishment of a joint Parliamentary Committee to oversee ABC Board appointments;

3. make an immediate increase in funding to the ABC, to allow the ABC fulfil its Charter obligations to be a producer and broadcaster of innovative and comprehensive programs; and

4. make available funds for the ABC to convert to digital technologies, thereby ensuring that the production of radio or television programs is not compromised or diminished.

by Senator Lundy (from 1,979 citizens)

Petitions received.

NOTICES

Presentation

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 issues arising from the

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

That the time for the presentation of the following reports of the Foreign Affairs, Defence and Trade References Committee be extended to 28 June 2001:

(a) second report on the examination of developments in contemporary Japan and the implications for Australia; and

(b) the disposal of Defence properties.

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

That the time for the presentation of the report of the Economics References Committee on the framework for the market supervision of Australia’s stock exchanges be extended to 27 June 2001.

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

That, on Thursday, 24 May 2001, consideration of general business and committee reports, government responses and Auditor-General’s reports not proceed until after completion of consideration of the government business order of the day relating to the Compensation (Japanese Internment) Bill 2001 and three related bills.

Senator Mark Bishop to move, on the next day of sitting:

That the Senate—

(a) condemns the Government for its failure to create a sensible, workable datacasting regime, which has resulted in the cancellation of its proposed auction of datacasting spectrum;

(b) condemns the Government for its unworkable datacasting regime, which is preventing Australians from reaping the economic and technological benefits of datacasting and the advantages of a new innovative consumer service; and

(c) calls on the Government to create a viable policy framework for the datacasting industry to replace the restrictive and unworkable existing regime.

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

That the Senate—

(a) notes:

(i) that 28 May 2001 is the 40th anniversary of the formation of Amnesty International, and

(ii) the large membership and total cross-party support for the Australian Parliamentary Group of Amnesty International;

(b) congratulates Amnesty International on its continuing, vital work on behalf of political prisoners around the world; and

(c) notes, with regret, that the work of Amnesty International remains indispensable because of continuing, worldwide human rights abuses, including torture and summary execution of political prisoners.

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


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

That, upon its introduction into the House of Representatives, the provisions of the Dairy Produce Legislation Amendment (Supplementary Assistance) Bill 2001 be referred to the Rural and Regional Affairs and Transport Legislation Committee for inquiry and report by 18 June 2001, with particular reference to the adequacy of the guidelines for distribution of dairy adjustment funds to meet the particular needs of dairy farm lessors and other dairy farmers.

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

That there be laid on the table by the Minister representing the Minister for Employment, Workplace Relations and Small Business, no later than immediately after motions to take note of answers on 18 June 2001, the following documents:

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

That the Senate—

(a) recognises that women’s rights are an urgent issue facing the international community and that the violation of women’s human rights includes the rape of women in war, so-called ‘honour’ killings, bride burnings, the stoning of women and female genital mutilation;

(b) acknowledges that governments have an international obligation to protect women’s human rights, but that when governments abrogate their duty, acknowledges that women should have access as individuals or groups to the United Nations (UN) system to step in to protect their rights, through the UN committee system;

(c) notes that:

(i) the Australian Government has so far refused to support the Optional Protocol to the Convention on the Elimination of Discrimination Against Women (CEDAW), and

(ii) the Australian Government’s inaction on the Optional Protocol is contrary to international opinion, with 67 countries already signing and a further 21 countries ratifying the Convention; and

(d) calls on the Australian Government to sign and ratify the Optional Protocol to CEDAW and every member of parliament to show their commitment to women’s human rights in a concrete and effective manner by supporting the ratification of the Optional Protocol.

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

That the Human Rights (Mandatory Sentencing for Property Offences) Bill 2000 be referred to the Legal and Constitutional References Committee for inquiry and report by 7 August 2001.

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

That the Senate—

(a) notes:

(i) that 27 May to 3 June 2001 is National Reconciliation Week - Keeping the Flame Alive, and

(ii) that 26 May 2001 marks the third anniversary of National Sorry Day and commemorates the Stolen Generations and Journey of Healing;

(b) affirms the right of all traditional Aboriginal land owners, including the traditional Aboriginal land owners of...
Senator HILL (South Australia—Leader of the Government 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 following bills, allowing them to be considered during this period of sittings:


I also table statements of reasons justifying the need for these bills to be considered during these sittings and seek leave to have the statements incorporated in Hansard.

Leave granted.

_The statements read as follows—_

**COMPENSATION (JAPANESE INTERNMENT) BILL 2001**

**Purpose of the Bill**

This Bill provides for compensation payments to certain widows and widowers of members of the Australian Defence Forces who were prisoners of war of the Japanese during World War Two, to Australian civilians who were interned by the Japanese during that War, and to the widows or widowers of former Australian civilian internees of the Japanese.

**Reasons for Urgency**

Nearly sixty years have elapsed since the Australian veterans and civilians were detained by the Japanese and endured years of suffering in the most horrific conditions imaginable. Many of these prisoners of war never saw their homes and families again. Many more never fully recovered and have died in the years that have passed.

Now, with the prospect of this long awaited special compensation payment so near, the government is keen that those who suffered so many years ago, and the widows and widowers of those whose loved ones have died, are asked to wait no longer for this compensation.

Passage of the bill in the current sittings will ensure this much deserved compensation payment can be made to this special group of Australians without further delay.

If the Bill is not dealt with in the one sittings period, death may rob some of the degree of comfort that this payment may have brought to them.

(Circulated by authority of the Minister for Veterans’ Affairs)

**FAMILY AND COMMUNITY SERVICES LEGISLATION AMENDMENT (ONE-OFF PAYMENT TO THE AGED) BILL 2001**

**Purpose of the Bill**

The Bill gives effect to a measure announced in the 2001 Budget for a one-off payment to the aged to be paid to those people who, on 22 May 2001, have reached age pension age and are receiving a social security pension or benefit.

The one-off payment of $300 is to be paid to social security pensioners and beneficiaries by 30 June 2001.

**Reasons for Urgency**

As the one-off payment of $300 is to be paid to social security pensioners and beneficiaries by 30 June 2001, it is critical that the Bill receive passage as early as possible in the 2001 Winter Sittings so as to facilitate this.

(Circulated by authority of the Minister for Family and Community Services)

**FAMILY AND COMMUNITY SERVICES AND VETERANS’ AFFAIRS LEGISLATION AMENDMENT (FURTHER ASSISTANCE FOR OLDER AUSTRALIANS) BILL 2001**

**Purpose of the Bill**

The Bill gives effect to measures announced in the 2001 Budget to exempt superannuation from the social security means test for people aged
between 55 and age pension age, to extend the telephone allowance to holders of seniors health cards and to increase the income limits under which a person may qualify for the seniors health card, from 1 September 2001.

**Reasons for Urgency**

One of the measures in the Bill—the superannuation measure—is proposed to commence on 1 July 2001.

It is essential that the Bill receive passage in the 2001 Winter Sittings so as to allow the timely introduction of this beneficial measure.

Early passage of the Bill will also facilitate the successful introduction of the other beneficial measures contained in the Bill. These measures are due to commence on 1 September 2001.

(Circulated by authority of the Minister for Family and Community Services)

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**TAXATION LAWS AMENDMENT (CHANGES FOR SENIOR AUSTRALIANS) BILL 2001**

**Purpose of the Bill**

As part of tax reform, the Government delivered a number of benefits to pensioners and self-funded retirees. The Government’s 2001-2002 Federal Budget and this Bill build on those measures that the Government has already delivered.

This Bill will provide for regulations to be made to substantially increase the tax rebates available to senior Australians, including self-funded retirees and people who are of age pension age, receiving a Commonwealth pension.

The higher rebates will allow single senior Australians to derive taxable income up to $20,000 without paying income tax. This compares to $12,652 in 1999-2000. Senior couples, on equal incomes, will be able to earn taxable income of $32,612 without paying income tax.

The Bill will also provide for the one-off payment to the aged to be exempt from income tax.

**Reasons for Urgency**

As this Bill applies for the 2000-2001 year of income, early passage is necessary to ensure taxpayers and their advisers can familiarise themselves with the new arrangements and comply with them. Early passage will also assist the Australian Taxation Office in its administration of the new arrangements.

(Circulated by authority of the Treasurer)

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**COMMITTEES**

**Selection of Bills Committee**

**Report**

Senator MASON (Queensland) (3.35 p.m.)—I present the 7th report of 2001 of the Selection of Bills Committee and move:

That the report be adopted.

I seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—

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**SELECTION OF BILLS COMMITTEE**

**REPORT NO. 7 OF 2001**

1. The committee met on 22 May 2001.

2. The committee resolved to recommend—

   (a) That the provisions of the following bills be referred to committees as follows:

<table>
<thead>
<tr>
<th>Bill title</th>
<th>Stage at which referred</th>
<th>Legislation committee</th>
<th>Reporting date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadcasting Legislation Amendment Bill (No. 2) 2001 (see appendix 1 for a statement of reasons for referral)</td>
<td>Immediately</td>
<td>Environment, Communications, Information Technology and the Arts</td>
<td>19 June 2001</td>
</tr>
<tr>
<td>Innovation and Education Legislation Amendment Bill 2001 (see appendix 2 for a statement of reasons for referral)</td>
<td>Immediately</td>
<td>Employment, Workplace Relations, Small Business and Education</td>
<td>27 June 2001</td>
</tr>
</tbody>
</table>
That the following bills not be referred to committees:
- Agricultural and Veterinary Chemicals Legislation Amendment Bill 2001
- Award of Victoria Cross for Australia Bill 2001
- Corporations Bill 2001
- Australian Securities and Investments Commission Bill 2001
- Great Barrier Reef Marine Park Amendment Bill 2001
- Health Legislation Amendment Bill (No. 2) 2001
- Human Rights (Mandatory Sentencing for Property Offences) Bill 2000
- International Maritime Conventions Legislation Amendment Bill 2001
- Reconciliation Bill 2001

The committee recommends accordingly.

3. The committee deferred consideration of the following bills to the next meeting:
   - Bill deferred from meeting of 6 February 2001
   - New Business Tax System (Simplified Tax System) Bill 2000
   - Bills deferred from meeting of 22 May 2001
   - Aviation Legislation Amendment Bill (No. 2) 2001
   - Finance and Administration Legislation Amendment (Application of Criminal Code) Bill (No. 1) 2001
   - Financial Services Reform Bill 2001
   - Migration Legislation Amendment (Electronic Transactions and Methods of Notification) Bill 2001
   - Taxation Laws Amendment (No. 3) 2001
   - Trade Marks and Other Legislation Amendment Bill 2001
   - Treasury Legislation Amendment (Application of Criminal Code) Bill (No. 2) 2001

(Paul Calvert)

Chair
23 May 2001

Appendix 1
Proposal to refer a bill to a committee
Name of bill(s):
Broadcasting Legislation Amendment Bill (No. 2) 2001

Reasons for referral/principal issues for consideration
To examine the provisions of the bill relating to changes to the broadcasting of programs in high definition digital television (HDTV) format and the implications this change may have for permitting the commercial broadcasters to provide multi-channel services; changes to the allocation of commercial television licences in remote and under-serviced areas, and how this may impact on regional and remote audiences; and antisiphoning arrangements and the relationship of the proposed changes to the current ABA investigation.

Possible submissions or evidence from:
The Federation of Commercial Television Stations (FACTS)
Australian Subscription and Radio Association (ASTRA)
Australian Broadcasting Corporation (ABC)
Special Broadcasting Service (SBS)
Telecasters Australia Fox Sports/FOXTEL

Committee to which bill is referred:
Environment, Communications, Information Technology and the Arts Legislation Committee

Possible hearing date:
Possible reporting date(s): As soon as practicable

(signed) Vicki Bourne

Appendix 2
Proposal to refer a bill to a committee
Name of bill(s):
Innovation and Education Legislation Amendment Bill 2001

Reasons for referral/principal issues for consideration
This is an omnibus bill, dealing with amendments to the Higher Education Funding Act 1988 and the Australian Research Council Act 2001, with the introduction of a loan scheme for postgraduate students together with amendments to the States Grants (Primary and Secondary Education Assistance) Act 2000 to increase funding for establishment grants for new non-government
schools. The measures contained require closer scrutiny.

Possible submissions or evidence from:
Schools, unions, parents councils, educationalists, students, universities

Committee to which bill is referred:
Employment, Workplace Relations, Small Business and Education Legislation Committee

Possible hearing date:
Possible reporting date(s): 27 June 2001

(signed) Kerry O’Brien

Senator HILL (South Australia—Leader of the Government in the Senate) (3.36 p.m.)—I have been asked to move an amendment to that motion to help resolve a dispute. I move:

At the end of the motion, add “but, in respect of the reporting date for the Innovation and Education Legislation Amendment Bill 2001, omit ‘27 June 2001’, substitute ‘20 June 2001’.”.

Senator CARR (Victoria) (3.36 p.m.)—I strenuously oppose this proposition. It is completely contrary to the arrangements that were entered into by this government not more than an hour ago. Not more than an hour ago we were told that there was an agreement around the reporting date on this bill. We have a situation now where the Leader of the Government in the Senate moves in here with a proposition which is contrary to the arrangements that have been entered into. I am concerned that the government is seeking, once again, to act in a rather devious and tricky manner and to arrogantly undermine arrangements that have been made. I am very disappointed.

Senator Ian Campbell—What arrangements?

Senator CARR—You say there are no arrangements? That is what the report says. I understood that you had accepted our advice.

Senator Ian Campbell interjecting—

Senator CARR—Senator Campbell, if you are now telling me that you do not accept the date of the 27th, that is fair enough. We will have to argue this out. Perhaps I could put a couple of propositions. Very simply, we have the situation where the government has introduced an omnibus bill to amend four bills. The government is seeking, for the first time in 25 years, to move an omnibus bill across a gamut of educational issues. We have the government seeking to amend the Higher Education Funding Act 1988, HEFA; the Australian Research Council Act 2001, an act we passed just a few months ago; and the States Grants (Primary and Secondary Assistance) Act 2000. The government is seeking to introduce a measure that will increase, through establishment grants, the level of support for non-government schools by a figure of 300 per cent.

We are told that the government must have these matters by the end of June. Why do they want them by the end of June? I think it is appropriate for the Senate to have a good look at these propositions. We are entitled to examine why the government are seeking a 300 per cent increase in establishment grants for new private schools and, furthermore, why this money is to be paid automatically, without application.

Opposition senator interjecting—

Senator CARR—The money is to be paid automatically. I think we are reasonable people. We are capable of examining the detail in the government’s legislation in a fair and objective manner, but we are entitled to call upon the citizens of this country and ask them what they think about this proposition.

Furthermore, the government is seeking to introduce a new Postgraduate Education Loan Scheme that has quite significant cost implications. It says that this scheme will raise $36 million. There are serious questions about the cost arrangements in this proposal, and I think we are entitled to have a good look at it. Let me put to the Senate the other major reason why we ought to look at this and have a reporting date of the 27th. The Senate committee examining this legislation currently has before it four separate bills. We have Senate estimates committee work to be undertaken. We have two reference committee inquiries: one into gifted and talented children and one into higher education, where there are 340 submissions being considered. We have a substantial workload. There is already a report due back on 18 June. There is a hearing scheduled for 22 June. If you look at the number of days that
are physically available for the committee to consider these functions, there are only three or four.

We are entitled to call upon citizens to ask them what they think about this bill and these propositions, but we are entitled to ask that the committee secretariat actually have the facilities and the time to process the submissions, to examine the evidence that is put before us and to compare the various pieces of documentation. Senators are entitled to have the time to consider the issues and to provide detailed reports to the Senate on what is an extremely complex matter and requires careful thought and examination by this chamber. When I put those things together, I ask this government: why are you so anxious to have these matters pushed through this parliament without proper consideration? We are entitled to know the answers to those questions. We clearly have a situation where 27 June is an opportunity for those answers to be provided. I trust that the chamber agrees with me and that there is appropriate consideration given to these weighty matters. (Time expired)

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (3.41 p.m.)—Just briefly, if you listened to what Senator Carr said, you would think the government were opposed to having this bill referred to a committee. In fact, we support the reference to a committee. What the government want, however, is the opportunity to deal with this legislation in this period of sittings. Because Senator Carr does not like some things in the bill, he does not want it dealt with. We propose that the reference be made to the committee. It makes no difference which committee it goes to. We are saying it should go to the relevant Senate legislation committee. We are also saying that the report date should be 20 June. We are referring it for the best part of a month. It is 23 May now. We want it back here, able to be dealt with, in the final sitting week of these sittings. So the disagreement between the opposition and the government is about a period of seven days.

Traditionally and normally—and certainly when the Labor Party were in power—the reference of a bill to a committee would take place on the Monday or the Tuesday of the sittings. The relevant committee, the legislation committee, would have the hearings on the Friday. You would have all of the relevant parties in. The committee would report to the parliament on the Monday, and the legislation would be dealt with on the Tuesday. That was the standard under the previous government. Since Labor went into opposition, they have used the committee system on many occasions to delay legislation and in many cases to stop legislation being dealt with for months on end. We are seeking what I regard as an appropriate, sensible and fair compromise: to have this legislation referred for a period of three weeks and to have it available to be dealt with by this parliament in the final sitting week to give the Senate and all honourable senators time to debate it and vote on it.

If the Labor Party senators do not like some of these measures—if they do not like, for example, the 2,000 new university places that are going to be created in priority areas—they, as part of the democratic processes of the Senate, can vote them down. All we ask for is a chance for the Senate to give this due consideration through the Senate legislation committee over a period of three weeks. I recognise the reality that the estimates committees will be sitting for two weeks during that period, but not all estimates committees are meeting for all of those times. You cannot, of course, just say, ‘Sorry.’ You have a whole series of days available over the next three weeks, and the week we are arguing about is actually a Senate sitting week anyway.

If you want to use the Labor Party’s logic that the time is not going to be available because estimates committees are meeting, it falls on their own argument. The actual sitting week we are arguing about is in fact a Senate sitting week. All the government are asking the Senate to do is to allow us the opportunity to deal with this legislation during this fiscal year so measures within the bill that have application in the new financial year can take effect. Senator Carr has made it very clear publicly that he just does not want to deal with this legislation. That is undemocratic. We are saying that there are three
weeks to consider it in a legislation committee and then to allow the government the opportunity to list its legislation on its legislative program.

Bob Carr, the Premier of New South Wales, said in advice to the Australian Labor Party federally that you should not be running the government from the opposition benches in the Senate. I think he was right. You should allow the government to have its legislation program dealt with and you should not use the committee system to stop legislation being debated. There has to be compromise; there has to be to and fro in this system. You have to allow sensible scrutiny of legislation. You have to allow the public to have a say on these very important pieces of legislation. But you should not use the legislation committee process to delay the parliament’s dealing with legislation, because that is undemocratic. We are simply seeking a sensible compromise to allow the Senate to deal with this bill prior to the end of these sittings.

Senator STOTT DESPOJA (South Australia—Leader of the Australian Democrats) (3.46 p.m.)—The Manager of Government Business says that he is seeking a reasonable compromise. I am wondering if a proposed date of 25 June, which is the Monday of that sitting week, would be acceptable. This covers a number of portfolios for the Democrats: schools—primary and secondary education—and issues of training and higher education, for which I am the portfolio holder. I am sympathetic to Senator Carr’s comments and the fact that we do have an overworked committee and a number of references before us. These are big bills and big issues with which to grapple, not to mention the funding and costing issues associated with them.

I would like the Senate to have an opportunity, during that week, presuming it is possible, to examine a committee report and to pass some of the good aspects of that legislation, some of which relate to the postgraduate sector. That is why I do not want to see this held up. By the same token, I cannot see how we would get through a hearing date and writing reports on the Friday that was mooted by the government originally. I am asking the government if they would consider Monday, 25 June. I hope that we can resolve this issue. I am happy for the government to amend their amendment, if they are willing to accept that suggestion.

Amendment (by Senator Ian Campbell)—by leave—agreed to:

The DEPUTY PRESIDENT—The question is that Senator Hill’s amendment, as amended, be agreed to.

Question resolved in the affirmative.

The DEPUTY PRESIDENT—The question now is that Senator Mason’s motion, as amended, be agreed to.

Question resolved in the affirmative.

NOTICES
Postponement
Items of business were postponed as follows:

General business notice of motion no. 906 standing in the name of Senator Allison for today, relating to the proposed closure of Telstra Regional Directory Call Centres, postponed till 24 May 2001.

General business notice of motion no. 871 standing in the name of the Leader of the Opposition in the Senate (Senator Faulkner) for today, relating to the financial interests of the Minister for the Arts and the Centenary of Federation (Mr McGauran), postponed till 18 June 2001.

Business of the Senate notice of motion no. 1 standing in the name of Senator Collins for the next day of sitting, relating to the disallowance of the Workplace Relations Amendment Regulations 2000 (No. 3), postponed till 21 June 2001.

COMMITTEES
Employment, Workplace Relations, Small Business and Education Legislation Committee
Meeting

Motion (by Senator Tierney) agreed to:
That the Employment, Workplace Relations, Small Business and Education Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on 24 May 2001, from 4.30 pm, to take evidence for the committee’s inquiry into the provisions of the Workplace Relations Amendment (Transmission

Corporations and Securities Committee
Extension of Time

Motion (by Senator Calvert, at the request of Senator Chapman) agreed to:
That the time for the presentation of the report of the Parliamentary Joint Committee on Corporations and Securities on the provisions of the Corporate Code of Conduct Bill 2000 be extended to 21 June 2001.

HIH INSURANCE

Motion (by Senator Cook, at the request of Senator Conroy) put:
That there be laid on the table by the Minister representing the Treasurer (Senator Kemp), no later than immediately after motions to take note of answers on 24 May 2001, all documents relating to representations made since March 1996 by, or on behalf of, HIH Insurance Pty Ltd and/or all associated companies, to:

(a) any minister or parliamentary secretary of the Howard Government; or
(b) the office of any minister or parliamentary secretary of the Howard Government; or
(c) any agency of the Commonwealth Government,
in relation to any of the following matters:

(a) proposed amendments to the Insurance Act 1973; or
(b) proposals relating to the enhancement of prudential regulation of the Australian insurance sector; or
(c) proposals relating to the enhancement of prudential regulation of the Australian financial industry.

The Senate divided. [3.54 p.m.]
(The President—Senator the Hon. Margaret Reid)

<table>
<thead>
<tr>
<th>Ayes</th>
<th>33</th>
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<tbody>
<tr>
<td>Noes</td>
<td>32</td>
</tr>
<tr>
<td>Majority</td>
<td>1</td>
</tr>
</tbody>
</table>

AYES

Allison, L.F.
Bishop, T.M.
Brown, B.J.
Campbell, G.
Collins, J.M.A.

Crossin, P.M.
Crowley, R.A.
Faulkner, J.P.
Gibbs, B.
Harris, L.
Hutchins, S.P.
Mackay, S.M.
McLucas, J.E.
O’Brien, K.W.K.*
Schacht, C.C.
Stott Despoja, N.
Woodley, J.

NOES

Abetz, E.
Boswell, R.L.D.
Calvert, P.H.*
Chapman, H.G.P.
Eggleston, A.
Ferguson, A.B.
Gibson, B.F.
Herron, J.J.
Kemp, C.R.
Macdonald, J.A.L.
McGauran, J.J.
Murray, A.J.M.
Patterson, K.C.
Reid, M.E.
Tchen, T.
Vanstone, A.E.

Alston, R.K.R.
Brandis, G.H.
Campbell, I.G.
Crane, A.W.
Ellison, C.M.
Ferris, J.M.
Heffernan, W.
Hill, R.M.
Knowles, S.C.
Mason, B.J.
Minchin, N.H.
Newman, J.M.
Payne, M.A.
Tambling, G.E.
Tierney, J.W.
Watson, J.O.W.

PAIRS

Bolkus, N.
Conroy, S.M.
Denman, K.J.
Lundy, K.A.

Coonan, H.L.
Troeth, J.M.
Lightfoot, P.R.
Macdonald, I.

* denotes teller

Question so resolved in the affirmative.

COMMITTEES

National Capital and External Territories Committee

Extension of Time

Motion (by Senator Crossin)—as amended, by leave—agreed to:
That the time for the presentation of the report of the Joint Standing Committee on the National Capital and External Territories on the sale of the Christmas Island resort be extended to 9 August 2001.
Finance and Public Administration Legislation Committee

Extension of Time

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

That the time for the presentation of the report of the Finance and Public Administration Legislation Committee on the Charter of Political Honesty Bill 2000 and three related bills be extended to 27 September 2001.

FORESTS: OTWAY RANGES

Motion (by Senator Brown) not agreed to:

That the Senate—
(a) notes the destruction of important forests in the Otway Ranges of Victoria;
(b) supports the repeal of the Environment Protection and Biodiversity Conservation Act because it exempts areas covered by Regional Forest Agreements from its operation; and
(c) calls on the Government to ensure full protection of water quality and flows, biodiversity and forest ecosystems in the Otway Ranges.

Senator Brown—I note that I am the only one on the cross bench, and there was no other call supporting that motion.

COMMITTEES

Superannuation and Financial Services Committee

Extension of Time

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

That the time for the presentation of the report of the Select Committee on Superannuation and Financial Services on its initial terms of reference be extended to 27 September 2001.

Scrutiny of Bills Committee

Report

Senator O’BRIEN (Tasmania) (4.01 p.m.)—On behalf of Senator Cooney, I present the sixth report of 2001 of the Senate Standing Committee for the Scrutiny of Bills. I also lay on the table Scrutiny of Bills Alert Digest No. 6 of 2001, dated 23 May 2001.

Ordered that the report be printed.

Lucas Heights Reactor Committee

Report

Senator FORSHAW (New South Wales) (4.02 p.m.)—I present the report of the Senate Select Committee for an Inquiry into the Contract for a New Reactor at Lucas Heights entitled A New Research Reactor?, together with the Hansard record of the committee’s proceedings, minutes of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator FORSHAW—I move:

That the Senate take note of the report.

Firstly, as the chair of the committee I state at the outset my great appreciation of the work of members of the secretariat, a sentiment shared by all the other members of the committee. I particularly want to place on the record our thanks for the work and contribution of Dr Kathleen Dermody, Ms Sarah Bachelard and Mr Peter Hallahan. We know that they spent many long hours, including giving up time on weekends on a number of occasions to deal with what was a most extensive inquiry, to produce what I believe is a most comprehensive and excellent report.

The committee’s terms of reference were extensive and covered a range of issues associated with the government’s decision in September 1997 to construct a new nuclear reactor at Lucas Heights and with subsequent decisions, in particular the awarding of a contract to the Argentinian company INVAP. The key issues addressed in the inquiry were the need for a new reactor, the process leading up to the signing of the contract with INVAP, the nature of the contractual commitments entered into and the degree to which they are binding on the Commonwealth, whether the preconditions set by previous inquiries had been adequately met prior to the signing of the contract and the adequacy of proposed fuel and waste management provisions. That is a shorthand description of the terms of reference, which ran to some 2½ pages.

The committee conducted public hearings and took evidence from persons and organisations that were either in favour of or opposed to a new reactor. I believe that the report that has been tabled today presents the
The government has ignored these recommendations made by those independent and eminent bodies and persons. It has simply accepted the arguments and the agenda of ANSTO and of its own department. The committee report states:

... since 1992, there has been no comprehensive and independent study to establish funding priorities for Australia’s major national scientific facilities and no full and thorough public inquiry into the need for a new reactor or the most suitable location for such a facility.

The Committee believes that the failure by the Government to hold a full public inquiry into the need for a new reactor as recommended by the McKinnon Review has meant that the various issues identified in that detailed and intensive review have never been adequately and independently assessed.

It is on this basis that one has to consider the government’s decision in September 1997 and subsequent decisions. In its report, the committee examines in detail the various arguments in favour of a new reactor. Whilst the committee was presented with quite detailed submissions from those in favour of a reactor on the grounds of science and research, the committee noted that this was one of the major issues that the McKinnon review was not able to resolve. Indeed, the McKinnon review found that the scientific and research arguments were not strong and that they needed further examination. It is unfortunate that the independent public inquiry recommended by the McKinnon review, which would have enabled further detailed examination, has not occurred. On this issue, the report states:

In this regard, the Committee notes that the decision to build a new research reactor was taken without a comprehensive review of scientific research funding in Australia that may have given the government and the Australian people a better understanding of where investment would be most productive. It is disappointed that the decision about the new reactor was made without broad consultation with the scientific community. In its opinion, an open public debate would have been a means of both informing the community about science in Australia and allowing interested people to participate actively in examining whether Australia does need a new reactor. It would also have provided a better opportunity for experts in the field to study more closely the alternatives to a nuclear reactor and would have given scientists and engineers a chance to discuss research priorities.

Two other reasons have often been put forward in support of a new reactor, namely, the national interest and the need for medical isotopes. In respect of the national interest, the government and ANSTO argue that Australia needs a new reactor in order to maintain our role and standing in the region, and particularly in respect of promoting nuclear disarmament. The committee found that these arguments are not very strong. Indeed, the committee’s report states:

... the Committee is not convinced that Australia needs a new research reactor to make a positive contribution to nuclear disarmament. It notes the view that there are significant advances to be made in nuclear non-proliferation using political and diplomatic skills particularly in encouraging the nuclear weapons states to reduce their nuclear weapons and for countries to agree to be more open for nuclear weapons inspections. Australia has played a more prominent role in recent years in promoting disarmament and nuclear non-proliferation despite the fact that we have only an outdated small research reactor by world standards and we do not possess nuclear power plants, re-processing plants or nuclear weapons.

The Committee finds that the justification for the new research reactor solely on national interest grounds is not strong where national interest is defined on purely ‘security’ and non-proliferation grounds.

The second reason often put forward is the need for a new reactor in order to produce medical isotopes. In respect of that issue, the committee stated:
The Committee appreciates the standpoint of nuclear medicine practitioners in underlining the importance for Australia to be self-sufficient in the supply of radioisotopes. The Committee is not convinced, however, that logistical difficulties constitute a serious obstacle to the successful importation of radioisotopes.

Time does not permit me to quote the full extract from the report, but it goes on to note that many other countries do not have to rely on a research reactor for the production or supply of isotopes; they import them. That includes the United States. The argument put forward by the government that people may die if we do not get a new reactor is just scaremongering. It is not true. The fact is that, quite often, there have been occasions when the Lucas Heights reactor has been shut down, has not been operating, and we have been adequately supplied with medical isotopes from other sources.

Ultimately, with respect to the question of whether we need a new reactor, the committee came to this view:

The Committee notes that the Government has failed to establish a conclusive or compelling case for the new reactor, and recommends that before the government proceeds any further it undertake an independent public review into the need for a new nuclear reactor.

The other two areas considered by the committee related to the awarding of the contract and the tendering process, and the question of nuclear waste. As I have said, unfortunately time does not permit me to canvass all those issues in any great detail. However, in respect of the tendering process and the contract, the committee was severely hampered by the minister’s refusal to comply with an order of the Senate to provide relevant documentation to the committee, including documents such as full copies of the contract, copies of reports of site visits to the reference reactors in other countries, and a range of other matters. The committee has recommended that the Australian National Audit Office be requested to consider examining in detail the tender and contract documents, particularly to examine issues such as whether the cost estimates can be met and whether the claims of commercial-confidence are properly grounded. I might also say that serious questions have been raised throughout the report in regard to such issues as the capacity of INVAP to deliver the reactor that has been contracted for.

(Time expired)

Senator CHAPMAN (South Australia) (4.13 p.m.)—The most significant aspect of the majority report of this committee chaired by Senator Forshaw is the absolute inconsistency between the body of the report—the majority report: chapters 1 to 10—and chapter 11, its conclusions and recommendations. Any logical reading of the body of the report does not lead to the conclusions and recommendations contained in the majority report. Indeed, if you consider the evidence contained in the body of the report, it overwhelmingly supports the government’s decision to build a replacement research reactor at Lucas Heights. It also supports the fact that the tendering and contract processes for the replacement reactor were beyond reproach and that proper provision has been made for public health, safety, and waste management.

As I have said, the significant thing about the majority report is that it completely ignores not only the evidence that was taken by the committee, both in written form and in its hearings, but indeed the evidence cited in its own chapters 1 to 10. The majority report can be summarised as arguing that the need for a replacement research reactor has not been established; that ANSTO and the government failed to provide sufficient information on the contract processes for the committee adequately to assess those processes; and therefore that opposition senators who support the majority report recommend yet another public inquiry on this issue. As I said, quite simply—

Senator Forshaw—What do you mean ‘another public inquiry’? There hasn’t been a public inquiry; they have all been parliamentary inquiries.

Senator CHAPMAN—Senator Forshaw, this parliamentary inquiry was conducted absolutely in public. This is the fifth parliamentary inquiry that, either in whole or in part, has dealt with the issue of a replacement nuclear research reactor for Lucas Heights in the last five years. There has been an inquiry and a report every year for the last
five years—all of them conducted in public. Senator Forshaw has the gall to interject that there have not been any public inquiries. What nonsense, Senator Forshaw! Wake up!

Government senators interjecting—

Senator CHAPMAN—He has been asleep! He chaired the inquiry—every aspect of the inquiry was public. The fact is, as I have said, that there have been five public inquiries. Senator Forshaw, despite your protestations, any further investigation will add absolutely zero in terms of significant information to the current state of knowledge on the issues relating to a replacement reactor. The fact also is—and it is contained in the majority report—that wide-ranging evidence from the community, and especially from the science and business sectors with expertise in the field, reinforced the importance of a replacement research reactor for Australia and the strength of the tendering, contractual, safety and waste provisions. The opposition to this, by and large, came from only a very small minority who, on ideological grounds, oppose the whole nuclear industry. That is the situation, and that is the basis of your majority report, Senator Forshaw—you have listened to that very small minority, but even then you could not come to a decision. All you want is yet another inquiry, after all those inquiries that we have had.

The arguments for a replacement research reactor have remained fundamentally the same since the mid-1980s—that is, the capacity of a research reactor to promote and nurture scientific research, the increasing demand for reactor produced products in industry, environmental studies and, importantly, for the medical use of isotopes. Of course, the other important issue is Australia’s national interests and the role we play because of our expertise in nuclear issues. When you take all those factors into account, the case for this replacement reactor is absolutely overwhelming.

The work that is being undertaken at Lucas Heights and that will continue with the replacement reactor has led to the development in Australia of a significant body of specialised and highly skilled scientists and engineers whose work relies on the availability of that nuclear technology. There is absolutely no doubt that we will need ongoing access to a world-class research reactor if we are to continue to develop and maintain those skills. Importantly—and this is acknowledged by the science community—the contract for the replacement reactor is the largest single investment in science and technology ever undertaken in Australia. Those who oppose it can fairly be characterised as opposing modern science and technology. The replacement reactor will provide great opportunities for researchers to move forward to keep at the forefront of scientific research and development.

It is interesting again that the majority report reaffirmed the importance of neutron science to a broad range of disciplines. Witnesses spoke of the boundless opportunities for and the immense potential of research undertaken using neutron beams. A number of influential bodies gave evidence to the committee to reinforce that fact, but it is worth quoting Dr Robert Robinson, who summarised all those witnesses when he said:

Quite simply, the Replacement Reactor presents Australian scientists with the opportunity of a generation.

It will certainly send a positive message to the world community about Australian science when the replacement reactor is in place. Also it is important in terms of environmental research. The other important factor that came out of the inquiry is that there is no satisfactory alternative technology available to provide the resources that the replacement reactor will provide for Australian science, medicine and industry. It has been suggested that isotopes could be imported for medical use, but again the evidence to the committee was that the importation of medical isotopes is not a satisfactory alternative. Medical practitioners clearly gave evidence to the committee to support this argument. They do not want to see patient care compromised by dangers that could arise, such as shortages of appropriate medical isotopes through relying completely on importing those isotopes.

The other issue that was part of the inquiry related to the tendering process and the
contract. Again, it is established in the evidence and accepted by the majority report and by government senators in our minority report that ANSTO dedicated considerable time and resources to prepare the groundwork for and to manage the range and complexities of the tendering process. The evidence presented to the committee found the process to be well planned, thorough and fair to all four tenderers. Indeed, it highlights the efforts that ANSTO took to ensure the success and integrity of the tendering process. Again, there is no evidence to support the misgivings expressed in the majority report about the evaluation process and the checks that were made on the successful contractor, INVAP. In fact, there were a number of unsubstantiated allegations raised about INVAP, and they can be characterised as similar to the false allegations that Greenpeace was found to have made about Shell’s North Sea oil rig several years ago—allegations that were shown to be absolutely false and for which Greenpeace has never apologised. They are the sort of false allegations that were raised in this context.

As far as government senators are concerned, there is no evidence to sustain the majority recommendation of the need for another inquiry. As I have said, there have been five inquiries on this matter in five years. All that the recommendations of the majority report highlight is the inability of Labour senators, in particular, to make a decision on this issue. Because of that inability, they simply argue for yet another inquiry. In government, the Labor Party failed to make a decision on this issue, right up to 1996, and that again is reflected in this majority report.

In contrast, the government has made a decision, a decision which is justified and which is essential to the future of Australian science. It is a decision that ought to be commended and is commended by government senators. The decision of the majority senators simply epitomises in opposition what they would be like in government. They have got no plan and they have an inability to make hard decisions that might be unpopular with a vocal but ill-informed minority. In short, they are a policy-free zone. That really lays out the difference between the government and the opposition on this issue, as it does on so many other issues. The majority report’s recommendations are not consistent with the evidence in it, and of course the minority report highlights that in spades.

**Senator STOTT DESPOJA** (South Australia—Leader of the Australian Democrats) (4.23 p.m.)—The Democrats welcome the tabling of this report. Senator Chapman is right in one respect, and that is that this report is the latest in a long line of reports that have examined the many questions concerning Australia’s involvement in the nuclear fuel cycle. Many of those reports have been disregarded or their recommendations not implemented. Every report so far has come up with new issues and concerns and prompted more queries. Certainly, this inquiry was long overdue and I am glad that there was an agreement to implement the Senate select committee into this issue.

At the outset, I would like to note for the record that the Australian Democrats unequivocally oppose the building of a new nuclear reactor. We urge the termination of the contract with INVAP. Moreover, we are deeply unimpressed by the justifications that have been provided by the government to date, and indeed from ANSTO, for the building of a new nuclear reactor. As the majority report clearly details, the quality of evidence and the lack of transparency concerning the tendering process and contractual arrangements are little short of disgraceful.

How can we possibly justify a new nuclear reactor when the government has, firstly, failed to carefully examine viable long-term alternatives to a research reactor for the production of isotopes and, secondly, not considered the substantial costs of the reactor in the context of the serious underinvestment in research and development in our universities and research agencies, including the CSIRO?

I must note for the record that last night’s budget did not address the significant disinvestment that we have seen over the past five years in those very areas. Government senators have stood up in here today and boasted that this is one of the single largestishments in the science portfolio in the history of not only this government but all governments in Australia at a federal level. But I do not think
that is a particularly impressive boast, considering the lack of money properly invested in research and development and training and education institutions, or even the money that has been ripped out of those very institutions.

One another reason we cannot possibly justify a new reactor is the fact that the government persists in an irresponsible and complacent approach to nuclear waste management, which has to still be the clear issue that comes out of this inquiry.

Few Australians would dispute that it is in the national interest for Australia to be a well-informed and active participant in nuclear non-proliferation and safeguard measures. However, we strongly challenge the assertion that Australia needs a modern research reactor to have an effective role in nuclear disarmament matters. And, yes, that is an assertion that we heard over and over through this inquiry and in previous inquiries. The former diplomat Professor Richard Brinowski made it quite clear to the committee that officers working in the area of nuclear non-proliferation and nuclear safety are not nuclear trained scientists but diplomats. As our supplementary report makes clear, we consider that the assertions and arguments that nuclear science expertise developed at home is a necessary condition for negotiating agreements, setting standards and strengthening safeguards are spurious, unsubstantiated and self-serving. Nuclear non-proliferation is fundamentally a political matter—not a technical one—and one where Australia, as a country with recognised credentials in the field of nuclear disarmament, might have some influence.

The main issue I want to address today on behalf of the Democrats is that of waste management. The McKinnon review of 1993, which of course remains the benchmark for analysis of Australia’s need for a nuclear reactor, set a number of conditions that needed to be put in place before a decision to proceed with a new reactor could be made. Notable among these was a need for a high level waste site. While the original context was an Australian high level waste site, McKinnon’s key point remains: that is, effective and reliable management of high level waste is a necessary condition for any decision to proceed with a new nuclear reactor. While we acknowledge that some progress has been made in establishing a storage facility for low level radioactive waste, the Democrats believe that the government’s contract with INVAP and the serious limitations of contractual agreements with Cogema manifestly fail this crucial test in relation to high level waste.

The Cogema contract is the linchpin of this government’s assertions that it has a sound waste management strategy in place. On that note, I would like to draw the Senate’s attention to the following extract of the contract between ANSTO and Cogema. At 2.2, where it states, ‘for the additional quantities to the basic quantity’ it reads:

The spent fuel to be delivered beyond the basic quantity is deemed to be suitable for the reprocessing at the reprocessing site. It shall be compatible with the presently implemented processes at the reprocessing site (including the shearing - dissolution, separation and waste conditioning processes).

The already tested and unacceptable fuel meat compounds are: U-A1 and UMo alloys, U oxide and A1 dispersant. U3Si2 and U-Zr alloys are not acceptable.

In any case, COGEMA shall be consulted by ANSTO as regards the suitability for reprocessing at the reprocessing site.

Let me reiterate the key element: ‘U3Si2 and U-Zr alloys are not acceptable.’ That is what it says and that means the reprocessing of USi—silicide—is explicitly unavailable under the contract. This does not sit well with the original ANSTO submission to our inquiry, which states:

Silicide would, in principle, be reprocessable.

Moreover, it raises serious questions about the evidence from ANSTO’s Professor Helen Garnett, who stated:

We have agreement with COGEMA that they will take certain amounts of silicide fuel.

Professor Garnett also said:

As I have repeatedly said, we have a contract with COGEMA—and had supplementary agreements with COGEMA—in relation to the handling of certain amounts of silicide fuel.
The supplementary agreement is most explicit: reprocessing silicide is not acceptable at Cogema. There is nothing in principle about this at all. The government’s persistent claims about its waste strategy are not substantiated by the contract.

The Democrats condemn the government for this extraordinary complacency on waste management issues, and we remind the chamber that strategies for dealing with long-term management and eventual disposal of waste are a matter for the Minister for Industry, Science and Resources and, I guess, the Minister for Health and Aged Care rather than ANSTO itself. This means that every time the minister and this government have told Australians or claimed in parliament that the government has a proper nuclear waste management strategy in place, it has not been true. This is an extraordinary state of affairs and adds greater weight to our insistence that there be no nuclear reactor, that the contract with INVAP be terminated immediately. That is the position of the Australian Democrats.

I commend the report to the chamber. I thank the secretariat for their very hard work and very good work on this. I congratulate the chair of this select committee, who did a fine job in dealing with all of us.

Senator SANDY MACDONALD (New South Wales) (4.31 p.m.)—I also wish to take note of this report of the Senate Select Committee for an Inquiry into the Contract for a New Reactor at Lucas Heights entitled A New Research Reactor? I support the minority report of the government senators. The evidence supplied to the select committee and all the exhaustive previous nuclear inquiries, including the Senate Select Committee on Uranium Mining and Milling, on which I served, and the other four inquiries that Senator Chapman referred to today, reinforces the importance of a replacement research reactor for Australia’s scientific research and nuclear medicine needs. The evidence also reinforces the strength of the tendering, contractual, safety and waste provisions that apply to this new research reactor. The evidence was overwhelming.

The government senators are very aware of those ideologically opposed to nuclear power. The community will make up its own mind in the future—as it has done in the past—about this group and the view that they push. But there is a small minority who appear at any forum available and will do anything to seek the oxygen of publicity to push their views opposing nuclear development or nuclear research. They remind me of bouncing balls: despite the fact that their arguments are weak and their professional qualifications are exposed to be inadequate, they still continue to push their views. I guess they are entitled to do that. This inquiry, as proposed by the opposition, gave these opponents of nuclear power yet another opportunity to put their case, and they failed.

As has been pointed out by Senator Chapman, all the evidence in this report justifies a new research reactor and the process by which it will be built and operated. It is interesting that the recommendations of the majority—where Senator Forshaw was obliged to use his casting vote as chairman—are completely disingenuous to the evidence as it was submitted and received by the committee. I always think that humbug seems to get a pretty fair run in debates on nuclear energy, and this inquiry certainly was no exception. I recommend that those who are interested in this inquiry read the conclusions of the minority report. They are a fair analysis of the evidence presented to this select committee.

I thank all concerned, particularly Dr Kathleen Dermody for her scholarship of this work and that of her team. I consider it was outstanding. I do thank Senator Forshaw for his chairmanship. I suspect that some of his sentiments with regard to a new research reactor at Lucas Heights might be a little different if, by some unfortunate event for Australia, we were to have a Labor government elected some time in the future—an event I hope will be a little time off.

Senator McLUCAS (Queensland) (4.34 p.m.)—I would also like to take note of the report of the Senate Select Committee for an Inquiry into the Contract for a New Reactor at Lucas Heights. I will confine my comments this afternoon to dealing with the very complex waste management issues that would arise should a replacement reactor be built at Lucas Heights.
This government has ducked the waste management issue through the whole process of both the contract and the discussions on the proposed nuclear reactor. The government has not openly and honestly dealt with the reality that we already have a nuclear waste management issue in this country that requires a response. The government is prepared, though, to proceed down the road of building a nuclear reactor without any plan at all for the disposal of nuclear waste.

The proposed reactor to be built by the Argentinian company INVAP is proposed to use uranium silicide, at least in the short term, as an interim fuel type. Eventually, INVAP proposes to use uranium molybdenum to operate the reactor. However, uranium molybdenum, or UMo, is a fuel that is still under development. There are a series of consequences that will follow this ill-thought-out course if it is pursued, as the government seems to want to do.

In my view and in the view of the committee, ANSTO did not convince the committee that there is a plan to manage the nuclear waste industry issue in this country. Currently, as we have heard, ANSTO has a contract with Cogema, a company in France, to reproduce waste from the current HIFAR reactor at Lucas Heights. This arrangement has recently been tested in the French courts, where Greenpeace was successful in seeking an injunction to prevent a shipment of spent fuel being unloaded in France. Whilst this injunction was subsequently overturned, Greenpeace has filed a fresh case in the French courts which hinges on the definition of the term ‘nuclear waste’. This court case will be worth watching.

The committee requested a copy of the contract between ANSTO and Cogema to reassure itself and the Australian community that current and proposed waste would be dealt with. As we have heard, it was not forthcoming and Senator Forshaw was compelled to request Senator Minchin to provide a copy of the contract to the Senate. Senator Minchin did not comply with that request, citing ‘commercial-in-confidence considerations’. So the Senate and the Australian community cannot be assured that there is a plan to deal with nuclear waste in this country, and the government and the minister should be condemned for their lack of response to real community concern. It is absurd in the extreme that the only way Australians can learn about the details of an agreement between ANSTO—an organisation of the Australian government—and Cogema is through French legal processes.

A further twist to this issue is that INVAP will have to deal with silicide fuel used in the start-up of the reactor. INVAP has advised that it proposes to treat the material in Argentina through an organisation called CNEA. Technicatome, one of the unsuccessful bidders for the contract, advised the committee that INVAP does not have facilities to reprocess the spent fuel rods. INVAP agreed, saying that reprocessing was not envisaged but that ‘conditioning’ was. In my view, this could result in a potential legal challenge to the importation of the spent fuel rods into Argentina. The Argentinean constitution precludes the importation of nuclear waste. Given that the material proposed to be imported will not be reused—that is, it will not be reprocessed—it raises the real potential of legal challenge to the importation. This reality was also recognised by the Argentinean ambassador in his contribution to the committee.

This provides no certainty, no security and no clear direction to Australians about what might happen to the waste produced by a new reactor. It flies in the face of one of the strongest recommendations of Professor McKinnon in his 1993 report, when he said that the solution to the problem of waste was ‘essential and necessary well prior to any future decision about the new reactor’. It was good policy then, and it is good policy now. I also note the lack of leadership, honesty and openness shown by this government in dealing with the need for both a low level and an intermediate level waste repository. I think it is widely accepted both in this country and internationally that any nation producing nuclear waste has the responsibility of ultimately dealing with that waste in their own country in the long term.

This government has not been open with the community or with the states and has weaseled out of making a decision for the
nation. It is important to note that the regulatory body, ARPANSA, has the ability to refuse approval of the reactor if waste issues have not been dealt with to its satisfaction. There has been no clarity provided by the government on the matter of waste management. The government has ducked the issue and stands condemned.

In conclusion, I join with our chair and other members of the committee and take this opportunity to place on record my thanks to Dr Kathleen Dermody, Dr Sarah Bachelard and Mr Peter Hallahan for their excellent work in the production of the report and for their rigour and commitment to producing a document that will stand the test of time. I commend the report to the chamber.

Senator BROWN (Tasmania) (4.41 p.m.)—While not a member of the committee, my perusal of the committee’s report indicates a major stumbling block for the government in proceeding with a nuclear reactor in Sydney, and the reactor should not proceed. We are in an open democracy where information is crucial to good decision making. The nuclear industry worldwide has hidden behind the commercial-in-confidence and secrecy provisions of the legislation of various countries to be covert in a full discussion of what it is doing and what the ramifications are for the human community, for the environment in the wider sense and for the economic future of the industry concerned. If you look at the summation at the front of the report, Mr Acting Deputy President Watson, on page xxxii you will see stated that:

The committee further believes that the Minister should be censured for his refusal to comply with an order of the Senate to table various documents relating to the tendering process and the contract.

It is extraordinary for a committee to say that a minister should be censured because the minister has refused to give information to that committee. If you turn over three pages, to page xxxiii, it says:

The committee recommends that the contract, and any subsequent arrangements, with COGEMA—that is, the French authority—for the re-processing of Australian spent fuel rods be made public.

This committee, which is involved in finding out for the public important matters like that, has been blocked from getting that information. When that happens, the balance of doubt goes against the government of the day. That information ought to be available to a parliamentary committee, but it is not. I have just pointed to two of the recommendations in this committee report, but there are more. And time and time again it is about obfuscation and blocking and keeping information secret by those who are proposing that the reactor at Lucas Heights be replaced by the Argentinean one that is now under contract.

Other speakers have brought to the debate the failure of the government to say in very clear and concise terms what it is going to do, the where and the when, with the nuclear waste. You cannot sensibly proceed with a facility which is going to produce and stockpile nuclear waste without saying what is going to happen with it. We have a responsibility not just to ourselves but to future generations and to Australia’s reputation to make sure that the full stream of this industry is dealt with at the time a reactor is put in. It has not been dealt with, and that has been a big problem with the existing reactor at Lucas Heights.

One other thing that is worrying about this proposal is the failure of the New South Wales government to do its homework in light of earlier reports and to come up with the information that would reassure the citizens of Sydney and elsewhere—wherever may be targeted as a future nuclear waste dump—that everything is in order. One cannot help but suspect that the New South Wales government simply wanted this to be left to the federal government and that the federal government would like it left to the nuclear authorities. The difficult matters about what is going to happen with the waste, such as how safety is to be ensured and how to make sure that the plant is not misused, have been, to a degree, swept under the carpet at a time when nuclear safety is a matter of concern right around the world. If a Senate committee cannot get clarification, the government has only itself to blame. And if the government is not trusted or believed,
and if its case is not accepted, it has only itself to blame. The community, particularly the community in the south-east suburbs of Sydney which has to have this reactor in its backyard, has a right above all to feel that the reactor should not proceed under those circumstances.

From what I have seen, I support the recommendations in this report and the contention by those who live in the region where this reactor would be built, and that is that it should not proceed. The government has not justified itself and has not been able to put a case that would convince people otherwise.

Question resolved in the affirmative.

DOCUMENTS

Auditor-General’s Reports

Report No. 37 of 2000-01

The ACTING DEPUTY PRESIDENT (Senator Watson)—In accordance with the provisions of the Auditor-General’s Act 1997, I present the following report of the Auditor-General: Report No. 37 of 2000-01—Performance Audit—The Use of Audit in Compliance Management of Individual Taxpayers: Australian Taxation Office.

COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT (Senator Watson)—The President has received a letter from a party leader seeking a variation to the membership of a committee.

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

That senators be discharged from and appointed to the Finance and Public Administration References Committee as follows:

Discharged: Senator Greig as a participating member

Substitute member: Senator Greig to replace Senator Ridgeway for the committee’s inquiry into the Government’s information technology outsourcing initiative.

COPYRIGHT AMENDMENT (PARALLEL IMPORTATION) BILL 2001

Report of Legal and Constitutional Legislation Committee

Senator McGauran (Victoria) (4.49 p.m.)—On behalf of the chair of the Legal and Constitutional Legislation Committee, Senator Payne, I present the report of the committee on the provisions of the Copyright Amendment (Parallel Importation) Bill 2001, together with the Hansard record of the committee’s proceedings and documents presented to the committee.

Ordered that the report be printed.

SYDNEY AIRPORT DEMAND MANAGEMENT AMENDMENT BILL 2001

Report of Rural and Regional Affairs and Transport Legislation Committee

Senator McGauran (Victoria) (4.50 p.m.)—On behalf of the chair of the Rural and Regional Affairs and Transport Legislation Committee, Senator Crane, I present the report of the committee on the Sydney Airport Demand Management Amendment Bill 2001, together with the Hansard record of the committee’s proceedings and documents presented to the committee, and move:

That the report be printed.

The ACTING DEPUTY PRESIDENT (Senator Watson)—The question is that the motion be agreed to. Those of that opinion say aye—

Senator Brown—Mr Acting Deputy President, I rise on a point of order. There is a motion before the Senate that the report be printed, and I know that it is very often the case that that can be done very rapidly, in a matter of minutes. But I wonder if the senator means that, that the report is yet to be printed. I ask whether the report is going to be available to the Senate now and, if not, when it will be available. The information I have is that we may be dealing with this legislation later in the day. If that were to be the case, it would be extraordinarily remiss for a report like this not to be available to all of us right now for our consideration.
I can help you, Mr Acting Deputy President. I have just been shown that, in fact, a copy is available. I seek leave to make a short statement on the matter.

Senator McKiernan—Mr Acting Deputy President, on the point of order: he has just made a statement. He has made a point of order.

The ACTING DEPUTY PRESIDENT—There is no point of order. You are correct, Senator Brown, in that the document is available. The motion to print enables the report to form part of the parliamentary papers. That is the process.

Senator Brown—May I speak on the motion?

The ACTING DEPUTY PRESIDENT—The motion has been put but not resolved. You can speak to it if you wish.

Senator Brown (Tasmania) (4.53 p.m.)—Thank you, Mr Acting Deputy President. I do want to speak on this matter—

Senator McKiernan—It is a little up in the air though.

Senator Brown—Senator McKiernan says that it is a little up in the air. I think it might actually go into orbit before the day is through. What we are seeing here today is a move by the government to have the Sydney Airport Demand Management Amendment Bill 2001 brought on later in the day and a report being handed down now. I can report that to you, Mr Acting Deputy President, because my office has been told that that is going to be the case. I object to that. If we are going to function properly as the Senate, we need to be able to read an important report like this before a matter like that is dealt with.

I was informed this morning that there may have been some difficulty as far as the government was concerned about having enough legislation to bring forward, but the government then came forward, as the Notice Paper indicated it would, with a very important bill on the Great Barrier Reef. We were in the business of discussing that before lunch. That bill was to increase penalties for people who wreck ships on the Great Barrier Reef due to negligence or otherwise—spill oil and so on. I think it is an extraordinarily important bill. But suddenly it is going to disappear off the agenda and on comes the Sydney Airport Demand Management Amendment Bill within a very short space of this report coming from the Senate committee. Why is that?

The ACTING DEPUTY PRESIDENT—Senator Brown, can I just interrupt for a moment?

Senator Brown—Yes.

The ACTING DEPUTY PRESIDENT—You do not appear to be talking to the matter before the chamber in relation to the matter presented by Senator McGauran. You are canvassing other issues that are not pertinent to the matter before the chair.

Senator Brown—I will come to that.

The ACTING DEPUTY PRESIDENT—Later on there may be a government matter that comes before the chair, but there is not one at the moment.

Senator Brown—Yes, I thank you. Your accommodation of the comments I have made was just to forewarn the government that they may not be going to get the easy ride that they thought when it comes to that later matter, which brings me back to the report.

The ACTING DEPUTY PRESIDENT—Thank you.

Senator Brown—It is a very important—

Senator Heffernan—That is not as bad as a call from Tom Donnigan though.

Senator Brown—I think we had a non-constructive intervention there, so I will ignore it. That came from Senator Heffernan.

The ACTING DEPUTY PRESIDENT—To the report, thank you.

Senator Brown—The report is into the provisions of the Sydney Airport Demand Management Amendment Bill. I have not had time to read it. The matter at hand here is: are we going to see, in the run to privatisation of the airport at Mascot, provision for the exclusion of domestic and regional smaller planes by a squeeze? Given the limited facilities of the airport in Sydney—
The ACTING DEPUTY PRESIDENT—Order! Senator Brown, we are really talking about a motion to print the report.

Senator BROWN—Yes, and I am talking about what we will see if it is printed.

The ACTING DEPUTY PRESIDENT—Continue.

Senator BROWN—I will make it very brief, I can assure you. The question is whether, when this report is printed, we are going to see that the move is on to squeeze the regional airlines out to put them across to Bankstown to give less and less time—in fact no new time in the future—as the big jets continue to come in in increasing numbers to Sydney airport. That has huge ramifications for the people living in the suburbs. That is what the debate will be about later in the day. The big question that is going to hang over us is the hurried nature of this. I would like to see this printing matter adopted; I would like to see the Senate, once the report is printed, have proper time to consider it. I do not think we are going to get that, Mr Acting Deputy President, because the government wants to get on with getting that legislation through, to selling Sydney airport and to paving the way, as best it can, to free up its options for an election in July or August.

Question resolved in the affirmative.

INTERACTIVE GAMBLING BILL 2001  
Report of Environment, Communications, Information Technology and the Arts Legislation Committee

Senator McGAURAN (Victoria) (4.58 p.m.)—On behalf of the chair of the Environment, Communications, Information Technology and the Arts Legislation Committee, Senator Eggleston, I present the report of the committee on the Interactive Gambling Bill 2001, together with the Hansard record of the committee’s proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator LUNDY (Australian Capital Territory) (4.59 p.m.)—by leave—In speaking to the minority report tabled today, the Labor senators maintain that providing a safe regulated environment that protects and educates Australians is the best way to ensure that problem gambling and community concerns are addressed. Our position is informed by our participation in the Netbets Senate inquiry and two Senate Environment, Communications, Information Technology and the Arts Legislation Committee inquiries.

The Netbets Senate inquiry, chaired by Liberal Senator Jeannie Ferris, specifically ruled out a ban on interactive gambling. The government recommended that federal, state and territory governments work together to develop uniform and strict regulatory controls on online gambling, with a particular focus on consumer protection through the Ministerial Council on Gambling. This is not being done. Senator Alston has abrogated his responsibility to show leadership and implement this recommendation. The coalition has used a report by the National Office of the Information Economy as a basis for this bill, yet a careful reading of the report reveals that NOIE believes there are enormous flaws and dangers here. The NOIE report also acknowledges that there are greater protections offered online than offline. Firstly, NOIE concedes that the online environment actually offers greater consumer protection and education measures. Secondly, NOIE notes that the Australian Federal Police could not enforce this proposed ban without increased resources and additional powers, yet we have seen no commitment from this government to provide these resources. Thirdly, the statistics cited by NOIE actually negate the case for this legislation. NOIE states that 96 per cent of respondents surveyed by the Department of Family and Community Services had no interest in gambling on the Internet and were not likely to do so in the future. NOIE concluded that banning a new and relatively little used form of gambling is unlikely to disadvantage anyone wishing to be able to gamble.

The Labor Party maintain that the most helpful method of controlling and administering interactive gambling is through the cooperation of the state and territory governments in formulating a national regulatory model. We support federal coordination of a regulatory model along the lines of the AUS
Model, which offers the degree of player protection recommended by the Productivity Commission report. The AUS Model contains player protection measures such as: the capacity to set deposit limits such as $500 per month, which Lasseters now imposes; players can set bet and loss limits; self-imposed breaks are available; credit betting and playing on credit are excluded; and national self-exclusion measures are available. Furthermore, the use of eight-digit alphanumeric passwords, the sending of accounts to the household and the payment of winnings by cheque into nominated accounts prevent minors from accessing Australian regulated online sites. These player protection measures are not guaranteed with offshore sites, yet the Howard government are proposing to deny Australians access to a regulated and controlled gambling site while granting unfettered and unrestricted access to sites that are not regulated or controlled and therefore may not exclude, for example, minors from access. This is plainly and obviously a ridiculous situation.

The AUS Model has been lauded internationally but ignored by the coalition locally. This arrogance exposes the raw political game being played by the coalition. Their use of emotive and divisive rhetoric is playing on people’s fears; it is just too plain tricky by half. The evidence presented to the Productivity Commission inquiry into gambling, the Senate Netbets inquiry and the Senate Environment, Communications, Information Technology and the Arts Legislation Committee confirmed that an outright ban on Internet gambling is neither technically feasible nor indeed necessary.

The legislation the coalition is proposing will not prevent Australian citizens from gambling online in any place. The legislation does not provide adult Australians with consumer protection, probity or harm minimisation measures. What it does do is to say to all Australians: ‘If you want to place a bet online, you must do so with an offshore, potentially unregulated site that may well rip you off and make worse any potential gambling losses.’ In contrast, the ALP have consistently recommended that current regulatory requirements applying to offline and land based gambling operators be extended to include online facilities. We are concerned that the Interactive Gambling Bill 2001 fails in every respect to meet its stated objectives. In fact, evidence presented at the various inquiries overwhelmingly points to an exacerbation of problem gambling if this bill were to be enacted. It is therefore extremely regrettable that the coalition have chosen to ignore the evidence and the constructive solutions that may actually provide a workable solution to interactive gambling.

The coalition’s report to the Senate Environment, Communications, Information Technology and the Arts Legislation Committee reveals the hypocrisy of their position. Firstly, the coalition point out that Australia does have a significant issue with problem gambling, yet they fail to explain how problem gamblers’ unrestricted access to unregulated offshore sites will help these people and their families. Secondly, the coalition’s response highlights the dangers of poker machines. However, this bill does not address poker machines. We are all aware of the danger to society caused by problems associated with gambling with the expansion of poker machines, and yet there is absolutely nothing here about it. Instead of fact and evidence, the government have trotted emotive rhetoric about pokies as a smoke-screen to cover up their inadequate legislative response. Thirdly, the government have wrongly assumed that greater Internet access automatically leads to an increase in gambling. Again, evidence presented shows that there has been no real increase in online wagering, merely a transfer from offline to online customers with the advent of the Internet. But that does not stop the coalition from demonising the Internet or from making misleading assertions that it is the Internet that is the problem.

It is important to note that the government’s own inquiries, both Netbets and the latest Senate committee report, compellingly outline the case against the legislation. It is obvious that certain coalition members have been placed in the invidious position of arguing a position that they know to be damaging to Australian citizens, Australian industry and Australia’s international reputa-
tion as an IT savvy nation. It is equally obvious that the coalition are struggling to find evidence to support their position. Most of the findings in the government’s report constitute compelling reasons why this bill should be opposed. Yet we know that, despite the potential dangers of this bill, coalition members and senators have been instructed to ignore the regulatory approach and to vote for flawed legislation so that they can stand up and say that somehow they tried to deal with the problems. It is just not good enough.

Labor have a better way to tackle the real social concerns. We want a properly regulated industry with uniform provisions across states and territories, and those states and territories have indicated a willingness and have a constructive approach to do exactly that. We want to provide the most effective means of controlling problem gambling and the improper use of gambling facilities. We do not want to leave those at risk more vulnerable and unprotected. We want to provide protection and minimise harm. We are certainly opposed to legislation that will see Australian gambling encouraged to bet offshore with the unscrupulous operators who do not offer consumer protection limits or probity.

In conclusion, let me reiterate that the proposed bill does not address the major areas of problem gambling. The overwhelming evidence from numerous inquiries into interactive gambling shows that Labor’s proposed regulatory approach is the only constructive and helpful way to contain the problems associated with gambling. Labor senators have also acknowledged consistently that the Internet can be put to work for much social good. We truly resent this government’s endeavour to demonise the Internet and provoke fear about new technologies instead of putting those technologies to work on behalf of the people—an opportunity which exists in relation to this issue.

Senator BROWN (Tasmania) (5.07 p.m.)—by leave—I thank the government and opposition for giving me leave. I will be brief. This report is extremely important. It is about the facility for gambling on the Internet. It is about whether Australia is going to be a world leader in that and in which direction: be pro-gambling or put the lid on gambling. We are aware that there are billions of dollars going out of the public purse through gambling machines, as things stand, for no social benefit and at a great loss to those individuals who become addicted as well as to their families, to their households, to their jobs and to their loved ones. It is increasing, and we are aware that the Internet facility will make the opportunity for gambling available in the home. Overseas experience is that this will particularly become attractive to youngsters, to youth. They get caught up in it. The social detriment that comes out of that is extremely worrying.

We have seen $60 million spent on gambling in little Tasmania in the last year. It has gone too far. I accept the concern that speakers have about the Internet not being censored. It is a new component of life and pervades everything we do, but that does not mean that it is a hands-off area as far as regulation is concerned. In fact, it is quite the reverse. Like every other thing that affects every citizen, the role of parliament is to look at it, to ensure that it is put to the best use and, where it becomes socially damaging, to see that that damage is held at bay in the best possible way. Senator Lundy is quite right that it is difficult to put restrictions on the Internet.

One of the real worries about the legislation that this report is looking into is that we have an inconsistency when it comes to the government’s point of view. It is saying to the gambling houses, whether the Australian based ones or the US based ones which are very keen to come here and set up to make Australia a world centre for Internet gambling, ‘You can’t sell your wares to Australians because they are injurious; they are eating away at the fabric of society, and gambling is already in excess. But you can sell them to everybody else in the world.’ In an age of globalisation, there is a great inconsistency there. Are we less worried about a household in New Zealand, Vanuatu or British Columbia than we are about a household in Alice Springs, Queenstown or Cairns? The answer to that is no. The profit
motive, which is behind the gambling houses, ought not to be able to get in the way of our understanding that we have an ethical consideration in this age of globalisation to people outside our borders as well as those inside. Welcoming the establishment of these facilities in our country through a regulatory system so that they can sell their wares externally while prohibiting that inside the country is hypocritical. I will be moving in the debate on the bill to not allow the set-up of such Internet gambling facilities in this country, regulated or otherwise.

The one concern I do have is about the time-honoured racing industry. I am not a punter, and the last time I went to the races it was not all that good a day out for me, but I have to say that it does employ 100,000 Australians, particularly in rural areas in places like Tasmania. It is an industry which has had a hard time since poker machines, roulette and the other forms of gambling have come online with modern technology and casinos. It needs to be looked after. It is not that I see this industry as being the most value laden one in the world either, but it has been there since the early 1800s and does employ a lot of people. It has never had the pointlessness to it that the poker machine or post-poker machine varieties of gambling have had.

They are the two big issues that I see coming up in the debate ahead. I have not made up my mind whether to support the government’s legislation. I will be looking at this report very carefully when it is available. I thank the committee members who have travelled the country and taken a lot of time to listen for bringing this report to the Senate. I know there is a difference of view. I will be weighing up both sides and looking at the issues carefully, because I know the government wants four other senators to join it in passing this legislation. It is more complicated than that. I realise there is a big responsibility involved in how we deal with this legislation when it comes before the Senate next month. I will be scrutinising this report to get clues as to how we should manage that debate when it occurs.
not important enough to proceed with this afternoon? I am talking about consideration by the Committee of the Whole of message No. 376 from the House of Representatives on the last bill which, you will note, Mr Acting Deputy President Murphy, is a bill from 1998.

Suddenly, the Sydney Airport Demand Management Amendment Bill 2001 has been added to the list and then put to the front. This bill is very important to the residents of Sydney, not least those who have suffered from the aircraft noise of the burgeoning traffic load on Kingsford Smith airport. It would be reasonable for the Senate to say: ‘The report has been handed down today. We will give some time for the community to look at that before the bill itself is considered later this month or next month.’ But it is not going to be. I can only assume that the government wants this legislation brought on now and passed because it does help in the privatisation of the airport. It will maximise the sale price if the slot arrangements for traffic coming in and out have been finalised or enhanced by the legislation that is coming before us.

Why would the government want to do that? Well, if you are considering a winter election, you want to know how much money you are going to potentially have available and you want to be able to convince the electorate that that amount of money is available. I see this as more of putting down the pavement to the option for a winter election. If this is out of the way then it is no worry if the June sittings get knocked out as the Prime Minister announces that he is going to the polls in July sometime. On top of the budget, as I read it last night, that is a very real option and one that the Prime Minister will be considering every hour of the day at the moment.

Otherwise, why bring this legislation on even before the report has actually been printed and made available to all members? It is bad practice, whatever else it is. I say to the government: this chopping and changing is bad practice. The bill we were considering on the Great Barrier Reef is very important. It is to put in place penalties which are going to put a restraint on people who are negligent, thoughtless or careless with shipping and with the potential for oil pollution, and so on, around the Great Barrier Reef. We should have completed that this afternoon. But suddenly that is put on the shelf and on comes a bill called the Sydney Airport Demand Management Amendment Bill 2001. I am not blocking the debate on that bill. I am saying that it should get in the queue. Air traffic control is required here to get things in order. Thank goodness the government is not in the air traffic control centre, because we would have a mess of things very quickly. We should stick to the agenda as it was presented to this chamber this morning. We should continue the debate on the Great Barrier Reef and then the heritage bill and then get on to this legislation in due course.

Senator O’BRIEN (Tasmania) (5.21 p.m.)—The opposition will be supporting this reordering of business and are prepared to deal with this legislation immediately. I have explained to Senator Brown our rationale for the approach. I have also made our view known to him—that is, that it would have been better had the government more properly fully consulted with all parties about this so that it was not an issue of controversy. But we are prepared to deal with this legislation today. Whilst that might disadvantage Senator Brown, I hope that he has an opportunity to look at the committee’s report. If he has some knowledge of aviation, I am sure he can get on top of it fairly quickly.

Question resolved in the affirmative.

SYDNEY AIRPORT DEMAND MANAGEMENT AMENDMENT BILL 2001

Second Reading

Debate resumed from 29 March, on motion by Senator Heffernan:

That this bill be now read a second time.

Senator MACKAY (Tasmania) (5.22 p.m.)—I rise this afternoon to speak briefly on the Labor Party’s position with respect to the Sydney Airport Demand Management Amendment Bill 2001. It relates to the operation of traffic arrangements at Sydney airport. I also propose to mention some of the issues underlying the bill which go to the
government’s direction as to the future operation of Sydney airport and, specifically, the difficult questions in regard to the slot management system at Kingsford Smith. In many ways, the bill before us is of a technical nature. It clears the way for substantive changes which relate to the slot management system with specific reference to the operation of Kingsford Smith. It is those changes which will impact on the operation of airlines and the operation of Kingsford Smith airport, Australia’s major gateway. The bill also seeks to amend the act to specify that the Sydney airport slot management scheme may deal with a specific allocation of slots for specified categories of aircraft movements.

The purpose of the bill is to underpin the government’s December 2000 announcement not only with respect to the operation of Kingsford Smith but also with respect to its view about the operation of Bankstown airport. In particular, the bill follows a further announcement of the government in January this year when, under pressure from regional areas of New South Wales, it announced its intention to amend the slot management scheme to address concerns about its announcement of December on the operation of airports in and around Sydney, with specific reference to how it would impact on guaranteed regional access to Kingsford Smith airport.

The actual slot management system and any changes to it are disallowable instruments under section 40 of the act. The detail of the actual changes to the slot management system have now been laid out in a discussion paper which the minister released on 27 March this year. Whilst confirming that it does not intend to alter the curfew, the 80 movements per hour cap or the guaranteed slots for regional airlines, the government has announced four changes to the slot management system. These changes are of specific importance not only to the operation of airlines in general from a national perspective and from the point of view of Kingsford Smith but also to the future operation of regional airlines in and out of Kingsford Smith with particular attention to the needs of people living in areas outside the Sydney metropolitan area.

The changes proposed in the discussion paper and considered by the Senate committee seek to: firstly, cap the number of regional slots allocated in the peak periods at the current level; secondly, encourage airlines to progressively introduce larger aircraft; thirdly, establish a minimum seat limit for the allocation of new slots to be determined in consultation with industry; and, finally, remove any risk that the major airlines could avoid the regional guarantee by migrating the regional slots held by their affiliates into non-peak periods. I understand that the government will now slow down some of these changes, after accepting some input from the aviation industry during the Senate processes. These changes will be outlined by my colleague Senator O’Brien later.

It is in this context that I suggest that the bill now before the Senate is clearly about facilitating those changes by ensuring that the provisions of the Trade Practices Act 1974 that allow access to declared services do not override the slot management system. In raising this issue, the provisions of part III of the Trade Practices Act that will be effectively overridden by the act by virtue of this bill were introduced to the Trade Practices Act through the Competition Policy Reform Act 1995. The purpose of the section is to ensure access to certain facilities with monopoly like characteristics. These provisions are intended to allow a party who believes that they are being denied access to a service by such a facility to apply to have the services ‘declared’.

When a service is declared, arrangements for access to those services are then negotiated with the service provider. Obviously, disputes can arise from time to time, and disputes regarding arranged access to declared services can be arbitrated by the Australian Competition and Consumer Commission, whose decisions can be reviewed by the Australian Competition Tribunal and the Federal Court. Labor clearly believes that there is a role for government involving itself directly in schemes like the slot management system, free of these processes. That is
clearly in the public interest as an accepted role of government. This bill confirms that.

The amendment contained in the bill to specify that the slot system may deal with particular categories of aircraft is also supported. In fact, we venture to suggest that this amendment has been unnecessary.

In passing, I also refer to the fact that we all believe that the slot management system is a complex system. Therefore, any change to the system has ramifications for the travelling public, airline operators, communities, those affected by the airport and those who depend upon the affected aviation services to meet their business and social needs. The response of the communities and industries to these amendments is therefore most welcome and needs to be considered in any response to the slot management system changes. To do that, those affected need to see the actual detail to assess the impact. Making the Trade Practices Act 1974 subject to the act is not contentious. The same measures apply in, for example, the Airports Act 1996. In the Airports Act, the same provisions of the Trade Practices Act are overridden to ensure the minister can determine the capacity of particular airports and implement measures to manage aircraft movements and other matters.

The proposed changes to the slot management system involving the Sydney airport slot management scheme were made in the context of the government’s broader policy statement about the future of Sydney airport, and we should not lose sight of that. That decision was roundly criticised by the opposition as a non-decision. It included the use of Bankstown airport for spill-over capacity from Sydney airport. The eventual decisions on aircraft size will have an impact on this issue. The outcome of the committee deliberations has influenced our response to the regulations that could, if not properly handled, make significant changes to the slot management system at Kingsford Smith airport. In saying that, as previously stated, Labor supports the bill and its intent. I indicate that my colleague Senator O’Brien will deal with these matters in more detail.

Senator GREIG (Western Australia) (5.29 p.m.)—From the outset it is probably best to reiterate that the Sydney Airport Demand Management Amendment Bill 2001 before us really aims to serve two purposes: firstly, to ensure that allocation of slots at Sydney airport conforms to the Trade Practices Act and, secondly, to cap current levels of regional services and provide for amendment of the slot management scheme to create greater efficiency. I think it is the second purpose which is the more problematic.

Arguably, the cap guarantees regional services, but it also limits regional services. In conjunction with attempts to increase the size of aircraft operating into peak hour slots, the impact on regional services is likely to be negative. The Democrats support the provisions in the Sydney Airport Demand Management Amendment Bill 2001 that ensures compliance with the Trade Practices Act. The TPA addresses unfair and misleading practices and slot allocation is appropriately subject to the provisions of that act.

However, we Democrats have four particular concerns regarding the Sydney Airport Demand Management Amendment Bill: firstly, its possible effect on regional services; secondly, its effect on regional airlines; thirdly, the noise impacts; and, fourthly, energy consumption and pollution impacts. In terms of the costs and effects on regional services and airlines, the bill proposes to cap the number of regional aircraft slots available at Sydney airport during peak hours. A cap and the use or amendment of an allocation scheme is likely to result in a significant increase in the value of the slots. A cap may also result in a significant increase in the costs of a slot. If a minimum size limit on aircraft—and 18 seats is apparently the proposed minimum—is imposed on regional slots, then regional airlines may be forced to invest in larger aircraft even if passenger demand does not justify it. They may be forced to abandon certain routes as they con-
solidate smaller aircraft into larger aircraft. They may face higher slot fees as a result of using larger aircraft and they may be forced to abandon landing at Sydney airport because they cannot afford either upgrading their aircraft or the increase costs to land at Bankstown and then commute to the metropolitan area.

It is worth noting that at Bankstown airport there is little to no taxi service available, and there is but one bus service. So while there is a concept of having more airflight passengers utilising the Bankstown provision, the accessibility for those passengers to the city is certainly hindered by the lack of public transport. And one final point is that such people may face takeover by larger airline operators.

Regional services are likely to become less frequent because regional airlines must operate at higher costs with larger aircraft. They are also likely to disappear from certain routes as a result of increased costs. Regional services are not likely to be instituted because there is insufficient slot space for servicing new regional demands or the costs of a new service may be prohibitive. In terms of noise, we Democrats maintain our concern about aircraft noise in the Sydney Basin. The noise can only increase under this bill, which clearly encourages the use of larger aircraft. The government has failed to listen to the demands of residents in the area and to address the issue.

In terms of energy use and pollution, I note that the latest five-year energy consumption statistics from the Australian Bureau of Statistics show that Australians remain among the world’s biggest energy consumers, with transport consisting of approximately 25 per cent of Australia’s total energy use. Regional air access to major metropolitan areas is absolutely critical but it is inexcusable to increase the size of aircraft travelling regional routes unless there is a need and sufficient passenger demand. The increased energy consumption and air pollution are unnecessary.

The Democrats would therefore call upon the government to institute slot pricing and value mechanisms which control the value of slots, to protect against market-driven values and pricing, and to protect smaller aircraft and airlines. We also call upon the government to ensure that slot allocation explicitly protects regional routes and smaller operators; to remove any provisions requiring larger aircraft for peak hour slot management; and to provide significant increases in funding to the Bankstown airport in order to encourage an adequate public transport system that will properly service regional flights and operators that choose to use the Bankstown airport.

In summary, the bill as a whole is reasonably non-controversial but I would argue that the devil is very much in the detail, and I think that that will be borne out not so much with the passage of this bill itself but through the regulations that will follow. I note, however, that the regulations that follow are disallowable instruments and that allows for Senate scrutiny. It will be incumbent upon those people actually involved in the industry, those who are aggrieved or have concerns about the regulations that can and will be proposed, to bring their concerns to the attention of members of parliament.

Also, it would be fair to say that this legislation, and the necessity for its evolution, has arisen from the lack of government decision by the current and previous governments in establishing a third runway or a third airport within the Sydney area—or New South Wales, for that matter. Clearly, the passage of this legislation is to some degree going to place increased regional service pressure on Bankstown. We have had the debate previously about the notion of opportunities for a third airport to service the east coast and it remains the Democrats’ preferred option that Newcastle or Williamtown be upgraded to allow for regional and possibly larger services, thereby providing the potential to link Newcastle to Sydney with a very fast train. That would allow for a passenger journey by train of approximately 45 minutes, which is roughly the same passenger travelling time that people arriving in Bankstown in outer metropolitan Sydney would experience when travelling into the city. It still remains a worthy project, I believe, and in the context of the government proposing, through the budget announced
last night, opportunities to reinvestigate the very fast train proposals on the eastern seaboard, I would encourage the government to give serious consideration to the potential for a VFT from Newcastle to Sydney. It would open up the opportunity for regional and possibly larger airlines services to be incorporated within that region, having maximised the potential of Williamtown.

In conclusion, we Democrats have expressed our concern about the bill. We will not be opposing it but we reiterate that we remain on guard in terms of scrutinising subsequent regulations and working with those people directly in the industry—pilots of the smaller services in particular—listening to their concerns and, hopefully, alleviating them where that is appropriate. At this point we will be supporting the bill.

Senator O’BRIEN (Tasmania) (5.37 p.m.)—As Senator Mackay has indicated, the opposition will be supporting this legislation. Notwithstanding concerns that the minister expressed that, somehow, it would be impossible for this bill to be referred to a committee, be heard, and be processed in time, the opposition have again facilitated the timely processing of government legislation in this area in the context of achieving what is possible in the time available. It was understood that this legislation would be dealt with tomorrow. However, earlier today the minister’s office contacted the opposition and requested that we facilitate the debate today because the opposition have also agreed to facilitate, on Thursday, the four pieces of government legislation which arise from last night’s budget. We often hear from the Manager of Government Business today that we were holding up legislation unnecessarily and that that was not the proper work of the opposition in the Senate. May I say that this is further demonstration that the government have not been obstructed in having their legislation dealt with in this place and, indeed, the opposition are again supporting a piece of government legislation after giving it the scrutiny it properly deserves.

In saying that, of course, we did refer the bill to a committee and we conducted a hearing in Sydney on one of the days available to hold such a hearing when the Senate was not sitting and the senators were available. Unfortunately, two witnesses withdrew from that hearing. Qantas and Impulse decided, at fairly short notice—

Senator West—They were getting married!

Senator O’BRIEN—As Senator West suggests, they were getting married and they did not want to attend the hearing and explain why they were getting married or what the consequences of their marriage would be on issues such as the slot system at Kingsford Smith airport and what other ramifications that might have. Qantas, which holds far more slots at the airport than any other carrier, and which potentially has a far greater interest in this legislation and the proposed changes to the slot system than any other carrier, declined to appear because it was frightened that the committee might ask some questions that it did not want to answer in relation to the impact of its new arrangement with Impulse on slots, other entrants, existing entrants and rural and regional travellers.

We had an interesting day’s hearing. It was clear from the hearing that there were significant concerns with the minister’s proposal for changes to the slot system. I concede that the changes to the slot system are matters that arise from the legislation and are not specifically dealt with in the legislation. The legislation, as described by Senators Mackay and Greig, makes the implementation of proposed changes to the slot system immune from challenge and review by parties such as the ACCC, which, the opposition concedes, should not interfere with the regulation of airports which are often regulated with regard to safety and amenity, and have to take into account many other factors.

To elaborate on that point, the slot system that applies at Kingsford Smith airport has to tailor in with slot systems and arrangements which international airlines have to make at other airports. In other words, when a plane takes off from London Heathrow going via Bangkok or Singapore to Sydney, all the access slots have to line up for that to be a successful operation. I do not think that many
people are aware that, twice a year, the international airline operators attend a conference where they discuss how they can marry those up. There is probably a degree of discussion about what arrangements can be made to mutually satisfy the needs of airlines so that, internationally, various slot systems work and allow the international aviation industry to operate with a degree of efficiency.

The committee heard from representatives of the international airlines and the Board of Airline Representatives of Australia which represents international carriers which use Sydney airport. They indicated that they had some significant concerns with the proposals by Minister Anderson in relation to changes to the slot system and, particularly, to the weighting that should apply to particular services when considering applications for new entrants to the slot system. Perhaps I have proceeded a little further than I intended to at this point.

It is important to note that the minister’s proposals in relation to regional access to Kingsford Smith airport have support from most of the airline operators who made submissions to the committee. There was some opposition from councils from regional New South Wales, which appeared to be based on concern that the proposed minimum size for new entrants to KSA, being planes with a capacity of at least 18 passengers, would not allow the continuation of services in some of the smaller regions of New South Wales and would be detrimental to those areas. However, other evidence indicated that there are already some hub and spoke arrangements operating in New South Wales. For example, Dubbo airport appears to be a hub for other operators flying in from western New South Wales to connect with flights into KSA. With the sort of arrangements that the minister is proposing, one could expect that that trend would accelerate.

I talk about what the minister has proposed in his discussion paper, but I should indicate that the committee received a letter from the Deputy Prime Minister’s aviation adviser, Mr McKinley, in which he said: The Deputy Prime Minister has considered the submissions—

and recognises that the industry has raised important operational issues about the proposals to increase the priority given to larger aircraft and revise the aircraft size test. He has decided that further consideration on the detail of these proposals is required, although the Government is convinced that their underlying principle is correct. The Government intends to form an industry working group to refine further the proposals.

The Government intends to implement the remaining parts of the package in time for the Northern Winter 2001 scheduling season, as outlined in the discussion paper. I have attached a copy of the revised drafting instructions for your information.

From that, I take it that, other than the changes proposed in the discussion paper by the Deputy Prime Minister which go to the prioritisation of aircraft based on size, the other aspects of the Deputy Prime Minister’s proposal will be given effect in a disallowable instrument, and that, if serious concerns arise, the Senate and the House of Representatives will have the opportunity to disallow that instrument.

Having said that, we had a variety of submissions on the issue of aircraft size. The committee reported on those submissions and suggested that the submission from Ansett-Air New Zealand on size categories was the one that appeared to have the most validity. That proposal talked about setting up bands for aircraft in certain size categories that reflected the smaller categories up to 100-seaters and then a band of 100 to 199 seaters which accommodates the older and newer generation narrow-bodied families such as the 737-200s, the 737-300s, the new 800 series, as well as the A320s; another band, the 200 to 299 passenger seating band, which accommodates the older generation wide-bodied twin-engined aircraft families such as the 767-200 and the 300 for international and domestic operations; a further band of 300 to 349, which accommodates the operators of new-generation wide-bodied aircraft; and a band 350 to 449, which covers a range of 747 type aircraft, which, because of the ability to configure seating in different ways, would avoid the possibility that someone might change their configuration for the purpose of getting an advantage in slot allocation where it was essentially the same type.
of aircraft that someone else might be flying but configured with fewer seats, given that in the minister’s proposal the size of aircraft is factored on the basis of seat size. Then, of course, given that there is a possibility that we will have aircraft carrying a lot more than 450 passengers with new-generation aircraft being developed in the aviation industry, the last category would cover aircraft with more than 450 seats. That was the proposal from Ansett, and it would be fair to say that that appeared to be the most acceptable proposal to members of the committee.

Other issues were raised with regard to the effect of the allocation of slots on aircraft size; that is, where an operator might seek to obtain a slot on the basis that there was a market of a certain size, allocate a very large aircraft and then find that the market for that service declined—and examples were given—and seek to operate a smaller aircraft on that service. Under the proposal, that appears to have ramifications for the operator holding on to the slot—the Asian economic crisis being such an economic circumstance that might require an operator to change aircraft type, but such circumstances appear not to be flexibly dealt with by the minister’s proposal. Concerns were expressed by the Board of Aircraft Representatives of Australia when that was presented to the committee.

Those are essentially the main concerns about the minister’s proposals. I note that the proposals that would follow the consultation that is proposed in the minister’s adviser’s letter ultimately have to come back to the Senate, so the Senate would have the opportunity to disallow any scheme that it found so offensive as not to allow it to be promulgated.

The issue that we should not lose sight of is that this is all about access to Kingsford Smith airport within the context of a cap on the number of movements per hour of 80 at Kingsford Smith airport, a curfew which applies at Kingsford Smith airport—on these issues there is a bipartisan approach—and the fact that hopefully the issue of aircraft noise will be dealt with in part by new generation aircraft which generate less noise. But ultimately I suspect there are some people in the community who will not be satisfied until there are no aircraft flying over their houses in Sydney. Unfortunately, I do not think that either the government or the opposition are going to be in a position to satisfy the desires of those people.

Neither should there be steps taken which might ultimately threaten the safety of the operation of Kingsford Smith airport. I noted that there were concerns being expressed about new all-weather landing systems that have been piloted at KSA and, I believe, are approaching implementation, which will make access to Kingsford Smith airport safer in inclement weather. At least, that is the intent and that is my understanding of what the new systems will achieve. I think the opposition would be concerned if those sorts of advances in technology which aid passenger safety were to be stymied by concerns from residents in parts of Sydney that changing the approach areas to Kingsford Smith would impact on their enjoyment of their property. The fact is that Sydney has the airport and that is the way it is going to be.

Of course, the government has—as Senator Mackay indicated—flagged the use of other airports, such as Bankstown, for regional services. Bankstown is, in aviation terms, very close to Kingsford Smith and I think there will be issues which need to be addressed, apart from the fact that Bankstown, in terms of aircraft movements, is one of the busiest in the world. There will be issues which go to the intersecting of flight paths between Kingsford Smith airport and Bankstown airport.

_Senator West interjecting_—

_Senator O’BRIEN_—There will also be issues, as Senator West has suggested, about the desire of passengers from regional New South Wales to be able to access the airport closest to their destination. That usually, for a lot of country travellers, is the CBD of Sydney because they are travelling for medical services and for business reasons and a lot of their appointments have to be made in the central business district of Sydney. Those issues are issues which this government and a future Labor government will have to bear in mind when we continue the process of ensuring that there is proper access to Kings-
ford Smith airport, be it in government ownership or in private ownership.

The fact that the minister maintains significant control over access issues through the mechanisms that I have just been describing will ensure that there is the ability not just to maximise the value of the airport—as some would suggest the minister’s scheme was designed to do—but rather to ensure that it provides access for international travellers, interstate travellers from regional areas and from the other major capitals and also travellers on services from country New South Wales. The regional centres in New South Wales should have the same access to the CBD of Sydney as the business travellers of Melbourne, Sydney, Adelaide or Perth. Equity is important in these things. It is going to be very difficult to change airport configurations in the short term, so we are looking at KSA being the access point for people from the state, the country and around the world for many years to come. I think we are going to have to get it right and hopefully, when the minister looks at changing the arrangements he has proposed, he will do so. But we will be watching very carefully.

Senator WEST (New South Wales) (5.57 p.m.)—I do not intend to take a great deal of the time of the Senate tonight but I do want to raise a couple of issues. First of all, I support the comments that my colleague Senator O’Brien has made about access to Kingsford Smith for those of us who live outside the Sydney metropolitan area. Most people from metropolitan New South Wales want to land at KSA because a significant number of them actually have on-flights to make with the major airlines to Melbourne, Brisbane or wherever else.

The people in a place like Bathurst, where there are a number of industries such as Uncle Ben’s and Devereaux which have other parts of their bodies elsewhere in the state or interstate, actually want to be able to leave Bathurst, fly to Sydney, catch the next available flight to Melbourne, Albury, Brisbane or wherever and then come back in the same day. If you push them out to Bankstown airport, they are not going to be able to do that because they will be faced with in excess of an hour’s drive between Bankstown and KSA—and anyone who tries to tell you at this stage that it is any different should actually go and talk to a Sydney taxi driver, because it is not. I had to do it one day: I came on a charter into Bankstown and had to flee across to Kingsford Smith at peak hour. It is certainly not something that is easily accomplished legally in under an hour. So, on behalf of those who live outside the metropolitan area of Sydney, I emphatically say that continued access for rural communities and rural commuters to Kingsford Smith is of the utmost importance.

I have some concerns. I was prompted to speak on the comments of the ACCC during the marriage negotiations between Hazelton and Ansett and now the marriage negotiations between Qantas and Impulse. I understand that the ACCC actually removed from the Ansett-Hazelton negotiations a number of slot times and said they had to be made available to any new competitors in the field. They were some of the regional slot times, and I have concerns about that.

I am even more concerned about an official from the ACCC appearing on our local radio stations and saying that competition is the most important thing and that it did not matter if Impulse went belly up and failed as long as there is competition. That might have been fine on the routes between Sydney and Brisbane and Sydney and Melbourne and elsewhere, but it sure as hell was not fine for those routes in regional New South Wales where Impulse was the only service provider. I think the ACCC indicated a fairly high degree of lack of comprehension of the facts of life for those of us living in rural areas when it took this hardline attitude—and one can only assume it is the attitude of the government—that competition comes first and everything else comes a poor second. That was the most annoying, upsetting and irritating comment that one could possibly hear—that the ACCC think that competition is the be-all and end-all and all the rest can go hang.

With the ACCC agreeing to this merger or marriage between Impulse and Qantas, again more of the slot times that were not ring fenced but were certainly being used by regional commuters and for regional services
are going to be bartered off for new competition. This is vitally important. If we want regional New South Wales to continue to progress, we have to ensure that regional New South Wales has access to Kingsford Smith. It is fine to talk about hubbing and spoking into Dubbo, but Dubbo is a good five or six hours drive away from Sydney, and the ports that hub and spoke into Dubbo are further out than that. It is a 10-hour drive from Bourke to Sydney. But when it comes to the closer ports of Bathurst, Orange, Cowra and even Wagga, people will drive. If they cannot get a flight at the peak time they want so that they can get into Sydney, do their business all day and then come home of an evening, like a commuter or somebody on a train—

Senator Heffernan—If you get out of bed early enough you can.

Senator WEST—That is right, Senator Heffernan, you have to get out of bed early. For a 6.30 a.m. or 6.45 a.m. flight you need an early start, but you are there and back in one day. Business does not have any travel expenses beyond the day’s expense. It does not have any overnight expenses. So for small businesses and even big businesses in those areas this becomes vitally important. It is very important that we remember that they are very sensitive to variations and they want to be given a guarantee that they will be able to get in and out of their particular ports in the rural and regional areas at the times they want. If they cannot get that guarantee, they will drive. That puts more pressure on the roads and will increase the number of accidents. As we know, road travel is not as safe as air travel. So that is a concern.

On the size of the aircraft, I would like to seek an assurance that the air ambulance and the RFDS will always be excluded. They are operating aircraft that are about the relevant size. I think the air ambulance is operating Beech Super King Airs, which in some configurations might be less than 18 seats and in some configurations might be more—and the same with the RFDS. It is vitally important that we be given a guarantee that those services always have access to Kingsford Smith because the majority of the major teaching hospitals to which people go by air ambulance happen to be closer to Kingsford Smith than other places. I know they may fly the helicopter services, such as Careflight, into a number of other teaching hospitals, but the major teaching hospitals—the really big major teaching hospitals—are closer to Kingsford Smith than anywhere else. So I seek that assurance from the parliamentary secretary.

I also wonder about the impact of the move from nine-seaters to 18-seaters. The existing services will be allowed to continue, but I think the only one at this stage that operates a nine-seater is Airlink, which operates a nine-seater Navaho into Mudgee. Country Connection has pulled out. They were operating Navahos to Cowra, Cootamundra, Young and Forbes. They ceased operating last weekend because of the GST impact on fuel and a few other prudent things. I point out that Yanda Airlines, who ceased operating a couple of months ago, also operated Navahos into Coonabarabran, Gunnedah and Singleton. I know there are negotiations afoot with some other enterprises to start up RPT services out of those centres.

It is very important that we look very carefully at any ring fencing and any slot times and that we enable regional and rural New South Wales to continue to have adequate and appropriate access to Kingsford Smith airport to enable development in the regions to survive and thrive. Business cannot take place in isolation. There is a need for business and industry to have access to areas other than where they are living. So we need it for business, for medical appointments and those sorts of things and for people who are travelling as tourists, and I would like an assurance on that.

I repeat that I was most concerned to hear an ACCC official say that competition is the most important thing and that he did not care if Impulse went belly up and failed as long as there is competition. For some areas of rural and regional New South Wales, Impulse was probably the only airline service they had. That was a bit of an indication to me of just how out of touch from the real world the ACCC can be on occasion. Competition in rural areas is not the only thing that matters;
actually having a service is of the utmost importance.

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (6.06 p.m.)—I would like to thank everyone for their contributions and answer some of the queries that were raised. Senator Mackay asked whether the bill is necessary. Our legal advice is that the bill is required. Senator Mackay was quite right when she pointed out that the Airports Act already includes provision to exempt it from the Trade Practices Act; however, the Airports Act does not apply to the Sydney airport slot scheme. So this amendment is quite necessary.

Senator Greig raised a question about the impact on regional services. Senator Greig, the 18-seat minimum does not apply to existing services or to operators that replace those existing services, so that should cover your concerns. The changes guarantee regional access to Sydney airport and ensure that aircraft cannot be forced out to Bankstown or into any nonpeak slot periods. Senator West raised the question of aero-medical services like RFDS and air ambulance, and we can give that guarantee unequivocally. As to the Yanda and Country Connection problem, the airlines that replace the air services will be exempt from the 18-seat rule. Every moment of thinking time by the government on this has been built around the fact that you need to go from somewhere like Wagga in the morning, do your business and get back without the expense. So just as long as you continue to get up early in the morning in your retirement, Senator West, you will make it.

As has been pointed out, we propose to make three changes to the scheme: to cap the number of regional slots during the peak period to the current level, to impose an 18-seat minimum limit for new slot applications and to have measures that guarantee regional access to the airport. To support the government’s position on this—and we realise the committee has given a unanimous decision of agreement—I would just like to point out that the Riverina Regional Organisation of Councils wrote to the Deputy Prime Minister and said:

This organisation wishes to formally acknowledge and thank you for the role you have played and continue to play in protecting access for regional air travellers to Sydney airport. RIVROC regards the amendments proposed for the Sydney airport slot management scheme as an equitable compromise amongst the many competing demands of the airport.

The government believes that the amendments to the scheme strike a sensible balance between the need to protect regional access to Sydney airport and the need to ensure that it operates efficiently. I commend the bill to the Senate.

Question resolved in the affirmative.

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

Quorum formed

COMPENSATION (JAPANESE INTERMENT) BILL 2001
FAMILY AND COMMUNITY SERVICES LEGISLATION AMENDMENT (ONE-OFF PAYMENT TO THE AGED) BILL 2001
FAMILY AND COMMUNITY SERVICES AND VETERANS’ AFFAIRS LEGISLATION AMENDMENT (FURTHER ASSISTANCE FOR OLDER AUSTRALIANS) BILL 2001
TAXATION LAWS AMENDMENT (CHANGES FOR SENIOR AUSTRALIANS) BILL 2001

First Reading

Bills received from the House of Representatives.

Motion (by Senator Heffernan) agreed to:

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

Bills read a first time.

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

That the provisions of paragraphs (5) to (7) of standing order 111 not apply to the bills, allowing them to be considered during this period of sittings.
Second Reading

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (6.14 p.m.)—I table a revised explanatory memorandum relating to the Family and Community Services and Veterans’ Affairs Legislation Amendment (Further Assistance for Older Australians) Bill 2001 and I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

COMPENSATION (JAPANESE INTERNMENT) BILL 2001

This Bill will help give effect to this Government’s commitment in the 2001-2002 Federal Budget to recognise the hardship and suffering endured by those Australians who were held captive by Japan during World War II.

Following the fall of Singapore in 1942 and during the war in the Pacific, more than 22,000 Australian men and women were taken prisoner by the Japanese.

By war’s end, more than 8000 Australian PoWs – 36 per cent of those taken prisoner by the Japanese – had died.

For up to three-and-a-half years, Australian service personnel and civilians suffered in the most horrific conditions imaginable.

They endured starvation and brutal treatment at the hands of their captors.

They were forced into slave labour on projects like the Burma-Thailand Railway.

They were sent on forced marches, such as the notorious death march from Sandakan to Ranau, during which more than 2000 Australian and Allied prisoners of war died.

In recognition of their unique ordeal, the Government will make a one-off cash payment of $25,000 to all living Australian prisoners of war and civilian detainees and internees who were held by Japan during World War II.

This ex gratia payment will also be made to the surviving widows and widowers of former prisoners, acknowledging those who lost their spouse to the PoW camps, or supported their partner on their return from the war.

The payment will be made to eligible veterans, civilians, widows and widowers who were alive on 1 January 2001. In those cases where an eligible recipient has died since that date, the payment will be made to their estate.

Arrangements are being made by regulations under the Veterans’ Entitlements Act 1986 to make the payment to those former PoWs and war widows who receive payments through my Department.

This Bill will enable the payment to be made as soon as possible to other eligible civilians and widows.

This Budget initiative has the widespread support of both the veteran and general community.

It is my hope that it will bring some degree of comfort to those who suffered so greatly for their service to Australia.

FAMILY AND COMMUNITY SERVICES LEGISLATION AMENDMENT (ONE-OFF PAYMENT TO THE AGED) BILL 2001

This Bill forms part of a package of measures that further demonstrates the appreciation and acknowledgment of the Government and the community for the contribution older Australians have made and continue to make to society.

This Bill provides for a one-off payment to the aged to be paid to those people who, on 22 May 2001, have reached age pension age and are receiving a social security pension or benefit.

The one-off payment of $300 will be paid to social security pensioners and beneficiaries by 30 June 2001.

This special one-off payment will also be available, otherwise than by this Bill, to people of age pension age receiving certain veterans’ payments and payments under the ABSTUDY Scheme. It will also be made available to people of age pension age who are outside the personal income taxation and social security systems.

FAMILY AND COMMUNITY SERVICES AND VETERANS’ AFFAIRS LEGISLATION AMENDMENT (FURTHER ASSISTANCE FOR OLDER AUSTRALIANS) BILL 2001

This Bill forms part of a package of measures that further demonstrates the appreciation and acknowledgment of the Government and the community for the contribution older Australians have made and continue to make to society.

This Bill recognises the effort many older Australians have made to provide for themselves in retirement.
This Bill directs special attention towards those who, while on low or modest incomes, do not qualify for age pension.

Previously, the Howard Government extended access to the Commonwealth seniors health card by increasing the income limits under which a person could qualify.

This Bill goes further by increasing the income limits to $50,000 for singles and $80,000 for couples, from 1 July 2001.

The Government has found that not all those qualified for what is a valuable concession have taken up the card. The Government will undertake a special publicity campaign to encourage take-up.

This Bill provides even more incentive for older Australians to take up the seniors health card.

The Bill provides for the extension of telephone allowance to holders of seniors health cards. Until now, only pensioners and some beneficiaries could qualify.

In making telephone allowance to holders of senior health cards, the Government is recognising that being able to communicate by telephone with families and the wider community is vital for the participation of older Australians in society and for the well-being of society as a whole.

From 1 September 2001, holders of senior health cards who claim telephone allowance will be paid a quarterly payment — currently $17.20 for both single people and couples — in January, March, July and September each year.

The Government’s package of measures for older Australians also demonstrates its determination to assist those older Australians who through no fault of their own are particularly vulnerable to long-term unemployment.

As a result of the consultative process of welfare reform and of the deliberations of the House of Representatives Committee which inquired into mature age unemployment, and produced the Nelson Report, the Government is taking a number of steps to give this group a better deal.

As part of this package, superannuation will be exempt from the social security means test until people reach age pension age. This will encourage people not to give up and consider themselves “retired” at an early age, and will help people preserve their superannuation savings for a better retirement in the long run.

This Bill gives effect to this measure.

TAXATION LAWS AMENDMENT (CHANGES FOR SENIOR AUSTRALIANS) BILL 2001

As part of tax reform, the Government delivered a number of benefits to pensioners and self-funded retirees. These included real increases in pensions and allowances, lower income tax rates, lower capital gains tax rates, one off, non-taxable, bonuses of up to $3000 and refunds of excess imputation credits. Tonight’s budget and this Bill build on those measures which the Government has already delivered.

This Bill amends the Income Tax Assessment Act 1936 to enable a substantial increase in the tax rebates available to Senior Australians, including self-funded retirees and people who are of age pension age, and receiving a Commonwealth pension. The increase in the rebates will be achieved through an amendment to the Regulations.

The higher rebates will allow single senior Australians to derive taxable income up to $20,000 without paying income tax. This compares to $12,652 in 1999-00. Senior couples, on equal incomes, will be able to earn taxable income of $32,612 without paying income tax.

Regulations have been gazetted to allow single pensioners who are under age pension age to derive taxable income up to $15,970 in 2000-01 without paying tax. This compares to $12,652 in 1999-00.

The Bill also amends the Medicare Levy Act 1986 to ensure that senior Australians, who are entitled to the increased rebates as a result of this Bill do not have to pay the Medicare levy where their taxable income is less than $20,000.

The Bill also ensures that those Australians under age pension age and who receive a taxable Commonwealth Government pension will not have to pay the Medicare levy where their income is below $15,970.

This means that these people will be able to earn more income without incurring an income tax or Medicare levy liability.

The amendments made by this Bill apply to the 2000-01 year of income, which means that these Australians will see the benefits of these measures in a lower tax bill or a higher tax refund after they lodge their 2000-01 income tax return.

The Bill will also amend the Income Tax Assessment Act 1997 to exempt, from income tax, the ‘one off payment to the aged’ of $300. This payment was also announced as part of the Government’s 2001-02 Budget.

The increased rebates for self funded retirees and aged and other pensioners and higher Medicare
levy thresholds deliver benefits amounting to around $1.5 billion over four years.
I commend this Bill.

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

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

GREAT BARRIER REEF MARINE PARK AMENDMENT BILL 2001
Second Reading

Debate resumed.

Senator McLUCAS (Queensland) (6.16 p.m.)—In continuation from earlier today, I would like to remind the Senate that the Great Barrier Reef Marine Park Amendment Bill 2001 increases penalties for illegal fishing by providing that it is an offence to fish in the marine park contrary to provisions of the zoning plans. The zoning plans are, as senators may be aware, the instruments that are used to manage the marine park. The green zones are areas where various activities are excluded.

The bill amends the Great Barrier Reef Marine Park Act to create a new offence for intentional or negligent operations in the marine park, and this is an important provision. It includes specific offences for vessels operating in areas precluded by the zoning plans, particularly the green zones. It includes compulsory pilotage for all of Hydrographers Passage, one of the routes used by vessels to travel from the outer reef to ports on the coast.

The Great Barrier Reef is the world’s largest world heritage area. It is a diverse ecosystem and includes the fringing coral reefs, the reef lagoon, the outer reef and slope, and the open ocean. The Great Barrier Reef contains more than 1,500 species of fish, 350 types of hard and soft coral, over 4,000 varieties of molluscs, and six of the world’s seven species of turtles. It is a significant habitat for the endangered dugong. The Great Barrier Reef was inscribed on the world heritage register in 1981. Its listing complies with all four natural heritage criteria: geological phenomena, ecological and biological processes, aesthetics and natural beauty, and biological diversity including threatened species. It should be noted that the marine park area has the potential to be re-nominated as an ‘other important area in Australia’ for its cultural heritage value.

The value of the reef is estimated to be to the economy of Queensland in the order of $1.5 billion. Well over half of this value is gleaned from the tourism industry. Some two million visitors travel to the reef every year. The remainder of that revenue is gleaned mainly from fishing, including trawling.

The Great Barrier Reef is an ecological phenomenon. The report Status of coral reefs of the world: 2000, published by the Global Coral Reef Monitoring Network, has identified that 27 per cent of the world’s reefs have been destroyed. Australia has an international responsibility to set the standard for best practice management of coral reefs, particularly our Great Barrier Reef—the international icon of all coral reefs. The reality is that the reef lies off the coast of the state of Queensland, and many Queenslanders live and work there. Management principles have to include an understanding of that reality and the needs of those community members.

Approximately 2,500 vessels traverse the inner route, between Cairns and the Torres Strait, each year—about seven ships a day. At present in this area, pilots are managing approximately 100 movements per month. Analysis of incident data indicates that the Torres Strait and the inner route north of Cairns have seen the highest concentration of incidents in Queensland and have the highest incident rate in Australia. We know that, whilst pilotage does not completely eliminate the risk of grounding, it does reduce the risk. Eighty per cent of marine incidents are caused by human error. The key to reducing the number of incidents is to reduce the potential effect of the human element.

Earlier today, other contributors talked about the event that occurred in November last year, and I would like to add to that. On 2 November last year, the container ship Bunga Teratai Satu ran aground on Sudbury Reef. Sudbury Reef is 22 nautical miles east of Cairns. The vessel was Malaysian owned and registered and was only some three years old. It is a reasonably large vessel—some 21,000 tonnes—and is 184 metres long. We in North Queensland were very lucky that it
was in good condition. It was en route from Singapore to Sydney, carrying 1,200 tonnes of fuel and quantities of dangerous goods including pesticides, alcohol, solvents and flammables. The grounding of the ship affected some 2,000 square metres of the reef. The ship was finally refloated on 14 November, after a number of attempts, and explosives had to finally be used to trim coral so that it could be refloated. Fortunately, there were no spills of fuel or cargo. The estimated cost of the refloat was $500,000 and was paid for by the ship’s owner. The estimated cost of the clean-up and the 10-year ongoing monitoring by the Great Barrier Reef Marine Park Authority is more than $2 million, and most of this, I understand, will be paid for by the ship’s owner.

The real environmental threat from this grounding after the boat was refloated was the effects from the paint that had scraped from the hull of the ship on its journey on and off the reef. The toxic chemical tributyltin was present on Sudbury Reef at 100 times the safe level. The clean-up of this paint was the largest clean-up of any reef system in the world. Hundreds of tonnes of rubble and sand were removed by vacuum, using technology that Australian scientists now use in other reefs where disasters have occurred.

All in all, this was a disaster fortunately averted. The ship’s chief officer was charged. He pleaded guilty to negligence, and a fine of $16,000 was imposed. The incident was covered extensively by the international media, not surprisingly given the icon status of the reef. The potential for damage to the tourism industry was very real if the incident was not managed properly.

This bill provides for compulsory pilotage to be extended to include the remainder of Hydrographers Passage, which is used by vessels to access the port of Mackay. The introduction of compulsory pilotage is not a fail-safe measure to avoid disaster in the future. I would like to see further investigation of technological measures, including the Electronic Chart Display Information System, differential global positioning systems and the Automatic Identification System.

As an intriguing aside, in the Townsville Bulletin of Saturday, 4 November, Mr Entsch, the member for Leichhardt, made a suggestion about how we could solve these potential disasters from ever happening again. The article said:

Mr Entsch said another option for ships was to offload their cargo at Weipa. Trucks could then be used to transport the cargo down an upgraded Peninsula Development Road.

This is another example of the sorts of responses you get from the member for Leichhardt, who is sounding more and more like the member for Kennedy. For those people who do not understand the geography of Queensland, Weipa is on the west side of Cape York Peninsula. It is a reasonable port and currently has reasonable infrastructure that could take large vessels. However, the road that links the city of Cairns with the township of Weipa—the Peninsula Development Road—is a road that this federal government has refused to put any money towards.

Mr Entsch, over many years—in consultation with the Mayor of the Cook Shire Council—has promoted the idea that Roads of National Importance funds could be used to upgrade the Peninsula Development Road. When that application was submitted, he heralded the day and said how wonderful it was. Subsequently, though, the Minister for Transport and Regional Services, Mr Anderson, has advised that there will be no money allocated through the Roads of National Importance funding to the Peninsula Development Road. So once again Mr Entsch has gone off on a bit of a tangent and found an interesting response to solve the problem of shipping on the Great Barrier Reef. However, that was an aside.

I would also like to make comment about the other methodology that could be used to lessen the potential for disasters to occur on the reef. I refer to the training of the crews that staff the ships that traverse this important world heritage area. Experienced and well-trained ship crews are essential to eliminate the potential for disasters such as the one that we saw on Sudbury Reef in November last year. I urge this government to use all measures available to it to ensure that we monitor the quality of staff that are run-
ning these huge vessels in these sensitive waters.

The bill also provides the means for the authority to take effective action against vessels that are involved in incidents, such as groundings or collisions, that potentially or actually cause damage to the values of the Great Barrier Reef. It allows for fines of up to $1.1 million for corporations and $220,000 for individuals, which is somewhat more than the $16,000 fine that was imposed on the captain of the *Bunga Teratai Satu*.

The third measure contained in this bill is the provision to increase the penalties for illegal fishing. A report recently commissioned by the Great Barrier Reef Marine Park authority and undertaken by CSIRO and the Queensland Department of Primary Industries found that trawling was having adverse impacts on the seabed and marine communities. For every tonne of prawns taken by a trawler, some six to 10 tonnes of bycatch is taken, most of which is discarded. The report also found that there was illegal trawling occurring in the green prohibited areas, especially in the far northern section of the marine park. These zones were established to protect the marine park from the impacts of trawling and other fishing. Maximum penalties at present are too low and are often included as a business cost in the operation, especially of the large prawn trawlers. The new penalties for illegal trawling in the marine park will be increased to $1 million.

Senators will be aware that last year the state government introduced the East Coast Prawn Trawl Plan, which was an attempt not only to manage the impacts but also to maintain a viable prawn industry on the east coast of Queensland. There is provision in the plan for a requirement to install turtle excluder devices and other bycatch reduction devices that will assist in managing the turtle population and, potentially, the dugong population. The plan also requires the installation of global positioning system beacons on each of the vessels that will be licensed to operate under the management plan. Monitoring of each trawler can then be undertaken for all of the time that the vessel is at sea. The introduction of this measure will assist the delivery of the plan both for the industry and for the protection of the reef in the future.

I would like to make some further comments about the government’s response to the environment in last night’s budget. We have heard some fine words from this government about the management of the environment and their commitment to it. But I have to say that, on reading the budget papers relating to the environment, you can only describe them as being—and it is a well-used phrase—tricky. It is very tricky when you expound on the wonderful things you are doing for the environment but, when you really look at the figures, you find that the expenditure for the environment is at best only maintained. If you take out a couple of larger items, such as the very needed upgrade of the reef headquarters in Townsville, I would suggest that, in operational terms, there has been an overall reduction in environmental spending in this current year.

Senator Forshaw—That’s a disgrace.

Senator McLUCAS—Hear, hear! It is a disgrace. In relation to the expenditure that is going to be made through the Great Barrier Reef Marine Park Authority, I understand that $1.7 million has been allocated over four years for management of aquaculture impacts. If you divide that $1.7 million by four years, you come up with the princely sum of $400,000 a year. Aquaculture is a growing industry in Far North Queensland. It is an industry that needs to be managed. Some events have been particularly unsuccessful and have had off-site impacts, especially on the lagoon section of the Great Barrier Reef. This is important work that needs to be done. But I suggest that $400,000 a year is simply not going to get us to the point where we can truly work in cooperation with aquaculturists so that we can have a viable aquaculture industry and, at the same time, manage those off-site impacts so that there will be nil effect on the Great Barrier Reef.

Once again, $400,000 per year has been allocated to offset the shortfall in revenue due to the concessional visitor charges for operational funding through the environmental charge placed on people who visit the reef. That $400,000 has had to be added to
the budget so that the marine park authority can continue its basic operations. As I have said before, the allocation to refurbish reef headquarters is very overdue. It has needed some injection of funds for quite some time. It is also essential to maintain our obligations under the world heritage principles to present the world heritage area.

In conclusion, the Great Barrier Reef Marine Park Amendment Bill 2001 is a start to dealing with some of the management issues that we need to follow in order to manage shipping and fishing in the Great Barrier Reef. As there will be some amendments to the bill, Labor will partake in debate at the committee stage.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.33 p.m.)—If there is no other senator to speak on the bill, it is incumbent upon me to close the second reading debate. Senator Hill is on his way to the chamber. I think there is general agreement around the chamber that the Great Barrier Reef Marine Park Amendment Bill 2001 is urgent and that it should be dealt with as quickly as possible. Therefore, we would hope to conclude it fairly shortly.

I thank honourable senators for their contributions to the debate. I make the political point that I did listen to Senator McLucas’s considered remarks in her second reading contribution and I note that she condemned the government for not spending enough on a range of programs for the environment. I remind her and all honourable senators that this government has committed more money to the environment than any other Australian government in the history of parliament. It is no trick. We committed to spend over $1 billion through the NHT. We have spent it, and we have just recommitted to spend another $1 billion. The interesting thing about the Australian Labor Party is that their environment programs were designed by former Senator Graham Richardson. The programs were designed as tricky, slick deals to get green preferences. They never delivered after the elections. They were an abject failure. All I ask Senator McLucas to do during the committee stage—and I am sure our leader in the Senate and Australia’s most successful minister for the environment and one of Australia’s longest serving ministers for the environment—

Senator Hill—The longest serving minister.

Senator IAN CAMPBELL—the longest serving minister—is that, if she does not think $400,000 is enough for this program or that, the day after another great coalition budget would be a great day for a Labor spokesman to say how much they will spend on the environment. I call on them during this debate to make a pledge to the Great Barrier Reef and to the environment. If you do not think we are spending enough, make a pledge. Just say, ‘This is how much we will spend.’ It is pretty easy—just say it. I thank senators for their contribution and commend the bill to the Senate.

Question resolved in the affirmative.

Bill read a second time.

In Committee

The bill.

Senator BARTLETT (Queensland) (6.36 p.m.)—I move Democrat amendment (1):

(1) Schedule 1, page 7 (after line 15), after item 8, insert:

8A After subsection 38L(3)
Insert:

(3A) The regulations may prescribe measures for the management of the discharge of sewage from vessels in the Marine Park and may create offences, not inconsistent with this Act, relating to the discharge of sewage from vessels.

(3B) Regulations made for the purposes of subsection (3A) may provide a maximum penalty for an offence against the regulations not exceeding the maximum penalty for an offence against subsection (1), but nothing in this subsection enables the regulations to provide penalties of imprisonment.

The amendment relates to one part of the Great Barrier Reef Marine Park Amendment Bill 2001, which I touched on briefly in my second reading contribution. Because of the nature of this matter, I think the Senate has been cooperative in enabling the legislation
to come on for debate. It is worth pointing out that the bill was introduced only on the final day of the previous sittings, and we are endeavouring to pass it in the first sitting week back. So it is not a bill that has had extensive scrutiny. Because the measures contained in the bill are supported, we do not wish to hold the bill up.

I think it is important to ensure that it operates as intended and that there are not unintended loopholes and, in relation to my amendment, to attempt to provide the scope for future regulations to tighten up particular areas, such as the discharge of sewage, if that is able to be done and deemed appropriate to be done down the track. It is a minor amendment in the sense that it does not force the government or the Great Barrier Reef Marine Park Authority to do anything immediately, but it does empower them to do more in relation to prescribing measures for the management of the discharge of sewage from vessels in the marine park and to create offences relating to the discharge of sewage. I am moving this amendment because proposed subsection 6 in proposed section 38CC of the bill states:

(1) A person is guilty of an offence if:
(a) the person intentionally or negligently discharges waste in the Marine Park; and
(b) the discharge is not authorised by a permission ...

A penalty of 2000 penalty units is part of the toughening of penalties for negligent or intentional discharge of unauthorised waste. Specifically, the bill has a line following that that says this 'does not apply if the discharge is sewage'. Similarly, proposed subsection (1D) removes sewage from the definition of discharge specifically for this part of the bill.

The Democrats amendment seeks to provide an option and give the government the power to insert regulations down the track if they wish. It enables them to prescribe measures that relate to sewage, given that sewage is specifically excluded by this bill. I understand that that may be in there because there are some issues relating to the need to define the size of the authorised discharge, the size of the vessel, whether the vessel has holding tanks, the availability of pump-out facilities and those sorts of different issues, which may be best sort out in finer detail down the track rather than simply in a blanket operation here. I am not 100 per cent convinced that is sufficient reason not to include sewage at this stage, but I certainly do not want to hold up the implementation of positive measures. So the option, as put forward by the Democrats, is to simply empower the minister down the track to introduce regulations that relate to sewage as well and to ensure that that power is there without the minister having to come back through another legislative process and once again put the Senate in the difficult position of having to deal with bills at a speed that is less desirable and not ideal.

I commend the amendment to the Senate. Whilst it is minor in detail, it is potentially quite significant in giving greater power to the federal government to act to curtail what is a significant problem in parts of the marine park, which is the discharge of sewage from vessels. It is appropriate—and indeed consistent with the intent of the bill we are debating—for that power to be there. The bill specifically gives greater powers and penalties to deal with the unauthorised discharge of other waste, such as oil. There is no particular logical reason why it is not desirable to also have power to act in relation to sewage discharge, and that is the reason for this Democrats amendment.

Senator HILL (South Australia—Minister for the Environment and Heritage) (6.41 p.m.)—I might facilitate the debate by saying that I am prepared to accept the amendment. It is true that for some time the authority has been conducting a negotiation with the Queensland government in relation to dealing with the issue of sewage. It is an important issue and needs to be dealt with more effectively, but there have been some difficulties that are being worked through. I have one suggestion. It has been put to me that it would be more elegant to describe it as 8A after proposed subsection 38J(7) instead of 8A after proposed subsection 38L(3). If Senator Bartlett has no objection, he may seek to put it in those terms.

Senator LUDWIG (Queensland) (6.42 p.m.)—I have one question in relation to that. I note that the government has accepted the
amendment proposed by Senator Bartlett, but before Senator Bartlett answers in relation to this matter I did have a query. The govern-
ment or Senator Bartlett may be able to shed some light on it. If you look at 8A, subse-
quently to be amended by Senator Hill, the regulation, as I understand it, goes on to:

... prescribe measures for the management of the discharge of sewage from vessels in the Marine Park and may create offences, not inconsistent with this Act ...

However, if you look at proposed section 38J(1A), it says this 'does not apply if the discharge is sewage'. What concerns me is whether the regulation that is being proposed would be inconsistent with the main act and therefore might not be a regulation that is created in accordance with the act in the first place. I am open to be corrected on that matter. I am not a lawyer, but it does seem a little bit confusing to me when put in that context. Perhaps someone might be able to enlighten me on that point.

**Senator HILL** (South Australia—Minis-
ter for the Environment and Heritage) (6.44 p.m.)—I think it is an interesting argument. It has been our intention that when we intro-
duce the sewage—

**Government senators interjecting—**

Senator HILL—I think I am getting some laughter behind me—that is not help-
ful.

**Senator Forshaw**—You have a couple of lawyers over there.

Senator HILL—We have plenty of law-
ers, but they are all looking at each other at the moment. Our intention when we came to implement provisions in relation to sewage was to amend the legislation, not to do it by regulation. It could have been equally legiti-
mately done by regulation. Doing it by amendment to the act does give some extra scope in relation to penalties, but it could be done by regulation if the act provided that regulatory power.

The issue that has been raised is whether we are providing an inconsistency by pro-
viding that the act does not cover sewage and then providing a regulatory power in relation to sewage. That comes down to the exact wording of the particular provision. I will give an interpretation of that.

**Senator West**—It was a good question, Senator Ludwig.

**Senator HILL**—A very constructive contribution.

**Senator BARTLETT** (Queensland) (6.45 p.m.)—All of us in this place rely on advice, but it is my advice and my understanding as well that subsections (1A) and (1D)—which Senator Ludwig is referring to, if I heard him properly—which preclude sewage as a dis-
charge and which relate specifically to that subsection. So any regulations that are brought in would not relate to that subsection. The regulations can create their own offences, which would not be inconsistent with the act as a whole. They would simply need to outline those offences rather than link them back to subsection 38J(1).

**Senator McLucas** (Queensland) (6.46 p.m.)—While we are ascertaining where this legal imbroglio might send us, I can take the opportunity, on behalf of Senator Bolkus and the Labor Party, to advise that Labor will support the amendment, subject to the dis-

cussion that is occurring on the other side. Labor recognise that increased nutrients in the Great Barrier Reef, especially in the la-

goon area, are in part a result of discharge of sewage into the waters of the Great Barrier Reef Marine Park. We recognise, though, that run-off, particularly from agricultural practices, also causes an increase in nutrient levels in the Great Barrier Reef.

The problem of unrestricted discharge is an issue, and it is one that will be dealt with. But we also recognise that there are prob-
lems with implementation. The reality is that most vessels that work the reef do not have storage tanks in place at the moment. There are limited places at the moment—points that will receive effluent from vessels that work in the reef—and those issues have to be ad-
dressed so that we end up with an efficient and effective system for the management of sewage in the reef. I can advise that we will support this amendment. It is a mechanism which, after industry consultation and envi-
ronmental assessment, can provide for the
appropriate management of sewage discharge from vessels in the marine park.

Senator BARTLETT (Queensland) (6.49 p.m.)—The government is still happy with this, but it would be more elegant to change it to 38J(7). I am always in favour of elegance, as people would know by my natural style. I am happy to amend this, as suggested, to increase the elegance of the amendment.

Senator HILL (South Australia—Minister for the Environment and Heritage) (6.49 p.m.)—This is what happens when we try to accommodate the Democrats. There is now a dispute over elegance as well. On the more substantive issue, we will work it out overnight.

Progress reported.

DOCUMENTS
Consideration
The following government document was considered:
Regional forest agreement for south-west forest region of Western Australia—Report for 1999-2000. Motion to take note of document moved by Senator Bartlett. Debate adjourned till Thursday at general business, Senator Bartlett in continuation.

Senate adjourned at 6.52 p.m.

DOCUMENTS
Tabling
The following government documents were tabled:
Commonwealth Authorities and Companies Act—Notice under section 45—Transfer of assets [Australian Submarine Corporation Pty Limited].
Regional forest agreement for south-west forest region of Western Australia—Report for 1999-2000.

Treaties—

Bilateral—


Multilateral—Text, together with national interest analysis—

Agreement on the Conservation of Albatrosses and Petrels.
International Labour Organization (ILO)—Denunciation of convention—No. 15: Convention fixing the Minimum Age for the Admission of Young Persons to Employment as Trimmers or Stokers, done at Geneva on 11 November 1921 and No. 21: Convention concerning the Simplification of the Inspection of Emigrants on Board Ship, done at Geneva on 5 June 1926.

Tabling
The following documents were tabled by the Clerk:

The following answers to questions were circulated:

**Shipping: Assets Victory**

(Question No. 3420)

**Senator Brown** asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 7 February 2001:

1. Can the Minister confirm that Commonwealth project cargo under the Commonwealth’s contract with Murray River North was transported on the *Assets Victory*.

2. Can the Minister confirm that the *Assets Victory* has been sailing to Cocos Island without certification for its derricks.

3. Can the Minister confirm that the *Assets Victory*, a ship of the Assets Ship Owners and Managers (Australia) Pty Ltd, does not have a blue certificate proving that it pays minimum marine wages to the crew.

4. Can the Minister confirm that several Filipino crewmen on board the *Assets Victory* approached the International Transport Federation in Fremantle for assistance because they were being paid well below International Labour Organisation (ILO) wage rates.

5. Is it also true that following an investigation by the International Transport Federation, five of the Filipino crew were assisted to return home.

6. Is it true that when the ship reached Singapore the remainder of the Filipino crew left the ship and have now been replaced with a Burmese crew.

7. Can the Minister confirm that in the United Kingdom, port clearance to enter a port is only granted upon providing evidence of a blue certificate.

8. Is a blue certificate required for Australian ports under the Coalition legislation supported by the Democrats; if not, is it government policy to flout the ILO standards to which Australia is a signatory.

**Senator Ian Macdonald**—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

1. I am advised that Murray River North has shipped cargo for Commonwealth projects on ships owned by Assets Shipowners and Managers Pte Ltd, owners of the *Assets Victory*, but that Murray River North does not have records of the cargo carried on particular ships.

2. The *Assets Victory* is a Singaporean flag ship. The ship’s classification society is responsible for certification of the ship’s derricks. Australia has authority under certain international conventions to conduct port State control inspections of foreign flag ships visiting Australian ports. The Australian Maritime Safety Authority (AMSA), which administers Australia’s port State control program, identified deficiencies in the cargo handling equipment on Assets Victory during a port State control inspection in May 2000. AMSA inspected the ship again in August 2000, after which these deficiencies were rectified with the involvement of the ship’s classification society. I am advised the *Assets Victory* voyaged to the Cocos (Keeling) Islands in July 2000 and again in August 2000.

3. I am advised that a “blue certificate” is issued by the International Transport Workers Federation (ITF) to indicate that a ship has agreements for crew conditions, including minimum wages, in compliance with ITF standards. A “blue certificate” does not relate to international convention standards for ship safety or environment protection and is not part of Australia’s port State control inspection of foreign ships. Accordingly, I have no information as to whether the vessel had a “blue certificate” or not.

4. (5) and (6) These matters do not come within my portfolio responsibilities and I have no information on them.

7. No. I am advised that the maritime authorities in the United Kingdom do not impose such a requirement.

8. No. The “blue certificate” is issued by the ITF and has no status in any International Labour Organization conventions.
Shipping: *Sulteng 1* Sinking
(Question No. 3421)

Senator Brown asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 7 February 2001:

1. Can the Minister confirm that the *Sulteng 1* was owned or chartered to Assets Ship Owners and Managers (Australia) Pty Ltd at the time that it sank off Christmas Island in 2000.
2. Can the Minister confirm that the Assets Victory sailed to Cocos Island on several occasions without certification for its derricks until the Australian Maritime Safety Authority (AMSA) directed them to be repaired.
3. Can the Minister confirm that the Assets Venture was detained at least four times by AMSA in 2000.
4. Can the Minister confirm that the Assets Pioneer lost power in Fremantle port in January requiring assistance from two tugs and that she subsequently lost power again prior to reaching Cocos Island in January 2000.
5. Did Mr Neil McGovern, acting as a marine surveyor, approve all of these ships for Assets Ship Owners and Managers (Australia) Pty Ltd.
6. Can the Minister confirm that Mr McGovern, the harbourmaster of Christmas Island, set up a company to assist the Singapore parent company Assets Ship Owners and Managers Pty Ltd into Australia.
7. Is Mr McGovern an employee of the Commonwealth or on contract to the Commonwealth.
8. When was the Minister made aware that Mr McGovern, the harbourmaster of a federal port, was setting up a company to facilitate Assets Ship Owners and Managers Pty Ltd into Australia.
9. Were any of these ships ever inspected by AMSA on Christmas Island.
10. Does AMSA notify the harbourmaster of an impending inspection visit.
11. Has any Assets Ship Owners and Managers (Australia) Pty Ltd ships ever been inspected in the Christmas Island port.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

1. I am advised that the *Sulteng 1* was owned by Pt Pelayaran Surya and was chartered by Christmas Island Phosphates. I am further advised that Assets Shipowners and Managers (Australia) Pty Ltd, formerly Assets Shipping (Australia) Pty Ltd, brokers cargo for Western Australian and south-east Asian destinations and does not own or charter any ships.
2. See answer to Senate Question on Notice No. 3420 (2).
3. AMSA records show that the Assets Venture was inspected under its port State control program twice in 2000; on 11 May 2000 and 11 November 2000. It was detained once following the inspection in May 2000.
4. I am advised that the Assets Pioneer did not experience a loss of power but there was a malfunction of the engine's air start system while under pilotage in Fremantle in January 2001. The system was repaired with the involvement of the ship’s classification society in Fremantle. The ship was reported to have had further problems during the voyage to the Cocos (Keeling) Islands and when it arrived at the Islands.
5. I am advised that Captain McGovern has reported that he inspected the abovementioned ships, other than the *Sulteng 1*, at the request of the owners, Assets Shipowners and Managers Pty Ltd, a Singapore based company which he states is commercially unrelated to Assets Shipowners and Managers (Australia) Pty Ltd.
6. I am advised that Captain McGovern was a director of the company Assets Shipping (Australia) Pty Ltd, from 25 February 2000 until 18 April 2000. On 31 March 2000, the registered name of the business was changed to Assets Shipowners and Managers (Australia) Pty Ltd. Captain McGovern was also Secretary of Assets Shipping (Australia) Pty Ltd from 9 August 1999 (the date of registration of Assets Shipping) to 18 April 2000.
(7) Captain McGovern was engaged as a fixed-term contract employee of the Christmas Island Administration under a contract that expired on 30 April 2001.

(8) The issue of Captain McGovern’s interests in Assets Shipowners and Managers (Australia) Pty Ltd was brought to my attention in the preparation of the response to Senate Question on Notice No. 2959, asked by Senator Brown on 28 September 2000, about the management of the Christmas Island Port.

(9) I am advised that Commonwealth cargo has been carried on ships owned by Assets Shipowners and Managers Pte Ltd.

(10) AMSA records show that only the Assets Energy had a port State control inspection at Christmas Island. This occurred on 9 March 1999 while an AMSA surveyor was visiting to conduct the annual surveys of local vessels on the Island.

(11) Yes.

(12) I am advised that Assets Shipowners and Managers (Australia) Pty Ltd does not own or charter any ships. The Assets Victory, Assets Venture and Assets Pioneer are owned by Assets Shipowners and Managers Pte Ltd, a Singapore based company. AMSA advises that one port State control inspection has been undertaken at Christmas Island on an Assets ship. The answer to part (10) refers to a port State control inspection of the Assets Energy at Christmas Island.

Shipping: Sulteng I Sinking
(Question No. 3422)

Senator Brown asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 7 February 2001:

With reference to the answer to question on notice no. 3160 (Senate Hansard, 6 February 2001, p.21393) in which the Minister stated that the harbourmaster at Christmas Island advised that the ship, the *Sulteng 1*, was not overloaded when it left Christmas Island and that after completion of loading of *Sulteng 1*, no ballast was released but the ship did discharge an amount of fresh water to ensure it was not overloaded before it departed from Christmas Island:

(1) What is the relationship between the harbourmaster, Mr Neil McGovern, and Assets Ship Owners and Managers (Australia) Pty Ltd.

(2) Was the *Sulteng 1* owned by or contracted to the company.

(3) Did Mr McGovern survey the *Sulteng 1* for the company.

(4) Given the Minister’s answer that no ballast was released and given the response of Mr McGovern, the harbourmaster, in Lloyds List Daily Commercial News that it was definitely overloaded. When I came to pilot the vessel out I was the one that noticed. I remedied the issue by ordering the master to discharge surplus fresh water not ballast as claimed. The ship had already discharged the ballast. Does the Minister now concede that he misled the Parliament.

(5) Given that the ship was definitely overloaded after the release of the ballast: (a) what volume of fresh water was the *Sulteng 1* carrying; and (b) what volume was discharged.

(6) In view of the fact that the ship sank shortly after leaving Christmas Island, is the Minister satisfied that a sufficient volume of water was released to remedy the overloading, especially since the harbourmaster who provided the information is the agent for Assets Ship Owners and Managers (Australia) Pty Ltd.

(7) Will the Minister now conduct an investigation into the sinking of the *Sulteng 1*.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(1) See answer to Senate Question on Notice No. 3421 (6).

(2) See answer to Senate Question on Notice No. 3421 (1).

(3) I am advised that Captain McGovern has reported to my Department that he did not carry out surveys on the *Sulteng 1* on behalf of the company.

(4) No. The answer to Question on Notice No. 3160 stated: “The Harbour Master at Christmas Island advises that, after completion of loading of *Sulteng 1* from Christmas Island, no ballast was released but the ship did discharge an amount of fresh water to ensure it was not overloaded before
it departed from Christmas Island”. I am advised that this accords with the quoted statements from the Lloyd’s List Daily Commercial News article. It is normal practice for ships to discharge ballast during cargo loading operations to maintain ship stability.

(5) (a) I am advised that Captain McGovern reported that *Sulteng 1* was carrying about 120 metric tonnes of fresh water.

(b) I am advised that Captain McGovern reported that *Sulteng 1* discharged about 80 to 100 metric tonnes of fresh water.

(6) I am advised that it is the duty of the flag State to carry out an investigation into casualties involving vessels flying its flag under Article 94 (7) of the Convention on the United Nations Law of the Sea 1982. The circumstances and causes of the sinking of the *Sulteng 1* are matters for the maritime authorities of the flag State, Indonesia, to determine. Until any Indonesian report on the incident is available, I am not in a position to form an opinion on the actions taken prior to the ship’s departure from Christmas Island.


*Department of Transport and Regional Services: Gutteridge Haskins and Davey Pty Ltd (Question No. 3423)*

**Senator Brown** asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 7 February 2001:

(1) Can the Minister confirm that Gutteridge Haskins and Davey Pty Ltd (GHD) manage the contracts for the department; if so, why does GHD itemise the required Australian Standards in its tender documents for cargo such as cement, etc, but does not itemise any of the required standards for the ships that carry the cargo.

(2) Has the Minister given GHD written instructions as to the standard of shipping that the Commonwealth would find acceptable; if so, what are the standards that the Commonwealth finds acceptable; if not, why not.

 Senator Ian Macdonald — The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(1) and (2) Yes, Gutteridge Haskins and Davey (GHD) manages contracts on behalf of the Department of Transport and Regional Services in relation to the Indian Ocean Territories under its Contract for Provision of Engineering Advice and Project Management Services for Infrastructure on Christmas Island and the Cocos (Keeling) Islands. GHD specifies Australian Standards in its tender documents for materials such as cement to ensure the quality of construction and related materials used in capital works in the Territories. My Department has directed GHD to stipulate in its tender documents for prospective contractors that they need to confirm that ships used to freight goods to the Indian Ocean Territories comply with internationally agreed safety standards as established in relevant international shipping conventions.

*Australian Federal Ports (Question No. 3424)*

**Senator Brown** asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 7 February 2001:

(1) Are there written port regulations for all Australian federal ports.

(2) Are there written port regulations for Christmas Island and Cocos Island ports; if not, why not.

(3) Can the Minister confirm that Mr Neil McGovern, the federal harbourmaster, is an agent and associate director of Assets Ship Owners and Managers (Australia) Pty Ltd.

 Senator Ian Macdonald — The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(1) and (2) The ports of the Indian Ocean Territories are controlled directly by the Federal Government through the regime of applied Western Australian legislation, including the Shipping and Pilotage Act 1967 (WA)(CI)(CKI), the Marine Act 1982 (WA)(CI)(CKI) and the associated regulations. There are no additional specific written regulations for these ports.
(3) See answer to Question on Notice No. 3421 (6).

**Shipping: Cocos and Christmas Islands**

(Question No. 3425)

Senator Brown asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 7 February 2001:

(1) When did the Minister become aware that over age ships that have not at any time passed inspection by Port State Control or by the Australian Maritime Safety Authority (AMSA) have been shipping into Cocos and Christmas Islands.

(2) Can the Minister confirm that the Commonwealth has instigated a scoping study of shipping to Cocos and Christmas Islands; if so, does the study include reporting on the age of the ships, their compliance with Australian Standards, whether or not they have passed inspection by Port State Control by AMSA and their potential risk to the environment, given that over age ships use heavy fuel oil.

(3) Over the period of the Commonwealth building projects on Christmas Island, did the Minister meet with representatives of Phosphate Resources and Assets Ship Owners and Managers (Australia) Pty Ltd; if so, when.

(4) Was Mr Neil McGovern present; if so, in what capacity.

(5) What was the purpose of the meeting.

(6) Was the Minister informed at that meeting or at any other meeting that Phosphate Resources contracted its shipping to Assets Ship Owners and Managers (Australia) Pty Ltd which uses over age foreign flag bulk ships to carry phosphate.

(7) Was the Minister informed that Assets intended to ship containers bound for Christmas Island from Fremantle to Port Klang on one of the major shipping lines and then carry them to Christmas Island on its phosphate ships, which between Port Klang and Christmas Island would be unlikely to ever be inspected.

(8) Was the Minister aware that this service was extended to Cocos Island.

(9) Did the Minister make any recommendations, instructions or directions to his department as to any role it might play subsequent to this meeting; if so, what were they.

(10) When did the Minister become aware that, between July 1999 and June 2000, ships of over 22 years of age carried Commonwealth cargo between Port Klang and Christmas Island.

(11) Is there any record of the ships used by the Commonwealth over this period ever undergoing a port safety inspection.

(12) Was the department made aware of the fact that Commonwealth cargo was being carried in these vessels and that Commonwealth employed harbourmaster and pilot at Christmas Island, Mr Neil McGovern, was also an agent for Assets Ship Owners and Managers (Australia) Pty Ltd.

(13) When did the Minister and the department become aware of the conflict of interest of the harbourmaster.

(14) What action did the Minister or the department take with regard to this conflict of interest given its possible consequences for marine safety and the environment.

(15) (a) When did the Administrator of Christmas Island as titular head of the port learn of this conflict of interest; and (b) when did he inform either the Minister or the department of this conflict of interest.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(1) All foreign flag ships visiting Australian ports, including those trading to the Indian Ocean Territories, are eligible for inspection under Australia’s rigorous port State control regime. If ships are found to have serious safety deficiencies, they are detained until action is taken to rectify them before they are allowed to sail. Ships that participate in the Indian Ocean Territories trade are regularly inspected at mainland ports and some have been detained to ensure rectification of serious safety deficiencies.
(2) My Department engaged a consultant to undertake a scoping study. The terms of reference re-
quired the consultant to report on the economic aspects of the shipping services, their contribution
to the Indian Ocean Territories' communities and their impact on the cost of living in the Territories. The study also
provides an operational analysis and strategic assessment of the need and options for general ship-
ning services to and from the Indian Ocean Territories.

(3) to (9) The Minister for Regional Services, Territories and Local Government regularly meets with
a range of stakeholders in the Indian Ocean Territories, both when visiting the Territories or on the
mainland. The Minister has met with representatives of Phosphate Resources Ltd on a number of
occasions but has no record of any formal meetings attended by both that company and represen-
tatives of Assets and Ship Owners and Managers (Australia) Pty Ltd or Captain McGovern. He
recently met Captain McGovern at a social function on 2 May 2001 on Christmas Island.

(10) The Minister has not received any advice that ships over 22 years of age carried Commonwealth
cargo between Port Klang and Christmas Island between July 1999 and June 2000.

(11) Yes.

(12) Yes, the Department has been made aware of the fact that Commonwealth cargo was being carried
on vessels of Assets Shipowners and Managers Pty Ltd and that Captain McGovern is a director of
N&R Marine Surveying Pty Ltd, which acts as ship’s agents for Assets Shipowners and Managers
Pty Ltd.

(13) (14) and (15) I am advised that there have been no findings of actual conflict of interest on the part
of Captain McGovern. I am advised that the Administrator raised the issue of possible conflict of
interest with Captain McGovern in August 1999. On the basis of information received from Cap-
tain McGovern, the Administrator took no further action. Late last year, my Department initiated
an internal audit review of Captain McGovern’s interests, including his relationship with Asset
Shipowners and Managers (Australia) Pty Ltd. I am advised by the Department that the report did
not identify any incidences of actual conflict of interest, but it did note that there could be a per-
ception of a conflict of interest.

Mount Arthur: Logging
(Question No. 3550)

Senator Brown asked the Minister representing the Minister for Forestry and Conserva-
tion, upon notice, on 30 March 2001:

With reference to the current logging at Mt Arthur near Launceston:

(a) Has the Minister visited the site; if not, will he.
(b) Has the forest practices code been broken in respect of streamside protection, placement of load-
ing bays, machinery parking, maintenance sites or in any other way.
(c) Has any Commonwealth officer been to the site in 2001; if so, who and when.
(d) When, and how, did the Prime Minister agree to the reduction of the forest reserve, by some 1 000
hectares compared with the reserve flagged under the 1997 Regional Forest Agreement.

Senator Hill—The Minister for Forestry and Conservation has provided the following an-
swer to the honourable senator’s question:

(a) No; subject to other programme priorities.
(b) The Tasmanian Forest Practices Board is investigating claims of breaches of the Forest Practices
Code. This will take some time to complete. The Forest Practices Board will produce a full report
once the investigation is complete.
(c) No.
(d) The Mt Arthur forest reserve is 871 hectares. The Original Mt Arthur forest reserve proposal un-
der the the RFA was 1,030 hectares. The differences between the RFA proposal and the final
gazetted reserve boundary are due to finer detailed boundary definition for proclamation purposes
and exclusion of areas found not to have the target values. This process is in line with clause 5 of
attachment 6 of the RFA which stated that the RFA map was indicative only and that the State
would finalise the boundaries, taking into account easily identifiable management boundaries and
field checking of target values.