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

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

Welfare Reform
To the Honourable President and Members of the Senate in the Parliament assembled.
The Petition of the undersigned shows that Australian's support a simple and fair welfare system that protects people from poverty and assists them to participate in society.

Your Petitioners ask that the Senate support reform of the welfare system which will:

encourage participation in employment, education, training and community activities on a voluntary basis and without the threat of harsh financial penalties;
removal barriers to participation through the provision of accessible, quality housing, childcare and transport;
replace work for the dole programs with accredited training programs and effective employment subsidies;
increase unemployment payments to equal the age pension; and
simplify the social security system.

We call on the Senate to guarantee that there will not be any reduction in pension or allowance rates of assistance.

by Senator Bartlett (from 15 citizens)

Mining Industry: Cyanide Leach Process
To the Honourable the President and Members of the Senate in Parliament assembled:
The Petition of the undersigned draws to the attention of the House to Prohibit the Use of the CYANIDE LEACH PROCESS by Australian-owned Gold Mines operating in TURKIYE (Turkey)
Cyanide is one of the most poisonous chemical substance in the world. It is used by mining corporations in the Cyanide Leaching Process to extract gold or metals from the ore.
The Cyanide Leach Process is illegal in USA, Canada, Greece, Austria and the Czech Republic.
Eurogold is owned by Australian company, Normandy Mining. Eurogold has been using cyanide to extract gold in Bergama, Turkiye since February 1998. They are planning 560 new gold mines in Turkiye.

In 1997, after 7 years of active resistance of villagers and communities, the Turkish High Court ordered mining, to cease in Bergama. However, Eurogold was able to start mining again in 2000 due to international trade agreements, and after a visit to Turkiye by the Australian Prime Minister, John Howard in April 2000.

We, the undersigned, support a prohibition on the use of cyanide reagents by Australian companies globally in mines and metallic ore processing facilities. Therefore we urge our legislators to support a ban on the use of cyanide. Further, we urge our legislators to ensure that Australian-based mining companies operate under a mandatory code of sustainable conduct.

by Senator Bourne (from 795 citizens)

Occupational Health and Safety Legislation
To the Honourable the President and Members of the Senate in Parliament Assembled: The petition of the undersigned draws attention to the House concerns over the proposal to introduce two (2) Bills before Parliament to amend the Safety Rehabilitation and Compensation Act and the Occupational Health and Safety Act.

These proposed amendments will disadvantage many workers and their families making it harder to obtain Workers' Compensation and will restrict the capacity of employees and their unions to ensure the workplace is healthy and safe.

Your petitioners therefore request that the powers of the Safety Rehabilitation & Compensation Act 1988 and the OHS Act be preserved and that the proposed changes to these Acts be rejected.

by Senator Murray (from 635 citizens)

Petitions received.

NOTICES
Presentation
Senator COONAN (New South Wales) (9.31 a.m.)—On behalf of the Standing Committee on Regulations and Ordinances, I give notice that on the next day of sitting I shall withdraw 10 notices of disallowance, the full terms of which have been circulated in the chamber and I now hand to the Clerk.

The list read as follows—
Seven sitting days after today
Business of the Senate — Notices of Motion Nos.
1. Export Inspection and Meat Charges Collection Amendment Regulations 2000
The Hon Warren Truss MP
Minister for Agriculture, Fisheries and Forestry
Parliament House
CANBERRA ACT 2600
Dear Minister
I refer to the Export Inspection and Meat Charges Collection Amendment Regulations 2000 (No. 1), Statutory Rules 2000 No. 342, that provide that the Secretary has a discretion, in specified circumstances, to refund some or all of the amount of a charge.

Item 3 of the Amendments gives the Secretary a discretionary power to remit or refund charges if the total number of animals slaughtered in a year, or if the quantity of meat or meat products presented for export inspection, “is significantly less” than in the financial year before the charge period. The Committee seeks clarification regarding the manner in which this criterion is determined and applied.

The Committee would appreciate your advice as soon as possible but before 16 March 2001 to enable it to finalise its consideration of these regulations. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG 49, Parliament House, Canberra.

Yours sincerely
Helen Coonan
Chair

15 May 2001
Senator Helen Coonan
Chair
Senate Standing Committee on Regulations and Ordinances
Room SG 49
Parliament House
CANBERRA ACT 2600
Dear Senator Coonan
Thank you for your letter of 8 February 2001 regarding the Export Inspection and Meat Charges Collection Amendment Regulations 2000 (No. 1), Statutory Rules 2000 No. 342.

In your letter you sought clarification about Item 3 of those regulations that gives the Secretary a discretionary power to remit or refund charges if the total number of animals slaughtered in a year, or if the quantity of meat or meat products presented for export inspection, is significantly less than in the financial year before the charge period.

The Export Inspection and Meat Charges Collection Regulations 1985, made under the Export Inspection and Meat Charges Collection Act 1985
(the Act) make provision for the collection of charges imposed by a number of Acts, including the Export Inspection (Establishment Registration Charges) Act 1985 and subordinate to that Act, the Export Inspection and Meat (Establishment Registration Charges) Regulations 1985.

The Export Inspection and Meat (Establishment Registration Charges) Regulations 1985 prescribe among other things, the registration charges payable by establishments that slaughter animals or process meat for export. Under the regulations, the rate of charge payable by an establishment for a financial year is determined by the throughput levels of the previous financial year. Registration charges are payable on a quarterly basis.

Item 3 of the Export Inspection and Meat Charges Collection Amendment Regulations provides the Secretary with a discretionary power to refund or remit some or all of the amount of a charge when circumstances change, that result in a reduction in throughput levels. As an example an abattoir may reduce its level of production in a year by reducing the number of shifts it operates in a day, in response to a drop in demand for its product. As a consequence, throughput for that year is significantly less than the previous financial year. The amendment allows the Secretary under such circumstances to remit some of the charge that would normally be payable for the current year, or to refund part of any charge already paid for the current year.

To ensure a uniform application of this discretionary power, a criterion has been developed with peak meat industry bodies to clarify the circumstances under which the discretion will be applied. This criterion is currently being considered by members of the peak bodies. A copy is attached for your information.

I trust this meets the needs of the Standing Committee on Regulations and Ordinances.

Yours sincerely

Warren Truss
Minister for Agriculture, Fisheries and Forestry

Encl. Attachment 1: Draft - AQIS/Industry Agreed Policy for Review of Registration Category

DRAFT

AQIS/INDUSTRY AGREED POLICY FOR REVIEW

OF REGISTRATION CATEGORY

The Export Inspection (Establishment Registration Charges) Regulations are in the process of being amended to enable the Secretary of the Department of Agriculture, Fisheries and Forestry - Australia (or delegate) to review and change the registration charging category of an export meat establishment in special circumstances.

AQIS and Peak Industry Bodies have agreed that the following policy is to be applied by the Secretary in any such review process:

1. The registration fee will generally be determined on the basis of the previous year’s throughput. No allowance will be made for plants closed during the previous year for periods less than 3 months unless there has been some significant structural change to the plant (eg. commissioning or decommissioning new slaughter chains).

2. The registration charging category will reflect the establishment’s likely operations for the annual charging period. Where the situation has changed, the registered occupier can apply to the Secretary for consideration of a lower rate based on the projected scale of operations for the period of registration.

3. Where the Secretary agrees to a lesser rate, he may impose conditions on that. Should the circumstances subsequently change in that charging period, the Secretary will have the right to review the establishment’s charging category. The occupier will have to agree that if throughput exceeds the previously estimated levels, resulting the plant going into the next registration category for 3 consecutive months, then the full rate will apply, backdated 3 months.

4. If a charge for a closed establishment has been reduced to the lowest category, the Secretary will review the category on the plant’s reopening and amend the charge to reflect expected production levels. If the production levels increase above estimated production levels and result in the plant going into the next category, the higher rate will be applied, backdated 3 months.

5. For future charging periods the establishment will revert to the normal system for determining the charging category, ie tonnes of product slaughtered for export in the previous financial year.

Instrument fixing charges to be paid to APRA, made under paragraph 51(1)(a) of the Australian Prudential Regulation Authority Act 1998

1 March 2001

Senator the Hon Rod Kemp
Assistant Treasurer
Parliament House
I refer to the Instrument Fixing Charges to be Paid to APRA made under paragraph 51(1)(a) of the Australian Prudential Regulation Authority Act 1998, that specifies the charge to be paid to APRA by persons participating in a conference to be held by APRA in April 2001.

The Committee notes that the instrument is made under paragraph 51(1)(a) of the enabling Act, which states that APRA may, by written instrument, fix charges to be paid to APRA by a person in respect of services and facilities APRA provides the person. While it can be argued that a conference can be categorised as a ‘service or facility’, the Committee seeks your advice on whether the intention behind paragraph 51(1)(a) is that it should apply to a conference registration fee.

The Committee would appreciate your advice as soon as possible but before 28 March 2001 to enable it to finalise its consideration of this instrument. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG 49, Parliament House, Canberra.

Yours sincerely

Helen Coonan
Chair

5 April 2001

Senator Helen Coonan
Chair
Senate Standing Committee on Regulations and Ordinances
Room SG 49
Parliament House
CANBERRA ACT 2600

Dear Senator Coonan

I refer to your letter dated 1 March 2001 to the Assistant Treasurer in relation to the Instrument Fixing Charges to be paid to APRA made under paragraph 51(1)(a) of the Australian Prudential Regulation Authority Act 1998 which he has referred to me as the Minister responsible. The instrument fixed an amount to be paid to APRA by persons participating in a conference on the general insurance industry, to be held by APRA in April 2001.

Specifically, your Committee has sought advice on whether the intention behind paragraph 51(1)(a) is that it should apply to a conference registration fee.

Description of the conference

The conference for which the attendance fee is proposed is called “The New General Insurance Regime” and is to be held on 1 May 2001. It will form part of APRA’s consultation process with the industry on general insurance reform. APRA will issue proposed amendments of the Insurance Act 1973 and revised drafts of the new Prudential Standards and Guidance Notes ahead of the conference, and they will form the basis of the day’s discussions. Speakers will include key APRA representatives, senior members of the general insurance industry and I am also scheduled to speak.

The attendees will principally comprise members of the general insurance industry and service providers to the industry such as actuaries and lawyers. Of course, attendance at the conference is voluntary.

The conference venue is the Sydney Convention Centre. Lunch and written material will be provided to attendees.

APRA has calculated the amount of the fee, $195 per attendee, on a strict cost-recovery basis. APRA has had to hire the venue, hire a caterer to provide lunch and morning and afternoon refreshments, and engage a consultant to coordinate the conference.

Organising the conference falls within the scope of APRA’s functions and powers

Section 9 of the APRA Act specifies APRA’s functions. It provides, so far as here relevant:

“9 APRA has the following functions:
(a) the functions conferred on it by or under this Act or any other laws of the Commonwealth;
(b) ...
(c) ...”

Section 11 of the Act specifies APRA’s powers. It provides, so far as here relevant:

“11(1) APRA has powers to do anything that is necessary or convenient to be done for or in connection with its functions.
(2) APRA’s powers include, but are not limited to, the following powers:
…
(e) the power to do anything incidental to any of its functions.”

The Insurance Act confers on APRA numerous functions and powers relating to the regulation of the general insurance industry. Informing and consulting the industry about proposed changes to the Insurance Act and to the system of regulation applying to that industry are activities that are clearly incidental to the regulatory functions con-
ferred on APRA by the Insurance Act - indeed, regular consultation is an indispensable prerequisite to effective regulation.

Accordingly, organising the conference falls within the scope of APRA's statutory functions and powers.

Need for a section 51 instrument

Subsection 51(1) of the APRA Act provides, so far as here relevant:

“51(1) APRA may, by written instrument, fix charges to be paid to APRA by a person in respect of:
   (a) services and facilities APRA provides the person; or
   (b) ...”

Subsection 51(2) requires the charges to be calculated on a cost-recovery basis. It provides:

“51(2) A charge fixed under subsection (1) must be reasonably related to the costs and expenses incurred or to be incurred by APRA in relation to the matters to which the charge relates and must not be such as to amount to taxation.”

“Charges” has a wide meaning and, in APRA's view, it encompasses the attendance fees that APRA proposes to charge.

The “services and facilities” referred to in paragraph 51(1)(a), for which APRA is authorised to set charges, include any services or facilities provided by APRA in the course of performing its regulatory functions.

The conference is clearly a “service” provided to the regulated community, and the provision of the venue would also seem to be a “facility” that is provided to that community as part of the “service”. Since organising and delivering the conference is part of the performance of APRA's statutory functions, and the provision of the conference constitutes the provision of “service” or “facility”, APRA is authorised to set charges for the conference, on a cost-recovery basis, under section 51 of the Act, and made an instrument accordingly. While it could be argued that it is not necessary to make an instrument to cover a relatively minor charge of this nature, APRA nevertheless decided that it would be prudent to do so.

I trust that this alleviates your concerns in relation to the instrument.

Yours sincerely
Joe Hockey MP
Minister for Financial Services & Regulation

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

8 February 2001
The Hon Michael Wooldridge MP
Minister for Health and Aged Care
Parliament House
CANBERRA ACT 2600

Dear Minister

I refer to the National Health (Pharmaceutical Benefits) Amendment Regulations 2000 (No. 1), Statutory Rules 2000 No. 369, that prescribe the bodies that may nominate persons for selection for appointment as members of the Pharmaceutical Benefits Advisory Committee.

New subsection 38A(2) of the Regulations states that “For paragraph 100B (1A) (b) of the Act, the following professional associations of economists are prescribed.”.

However, paragraph 100B(1A)(b) of the National Health Act 1953 requires that a person must be appointed from nominations made by “professional associations of health economists”. The Committee seeks advice on why the new subsection appears to provide for representation beyond the scope of the enabling Act.

Also, the Committee notes that paragraph 38A(2)(b) then prescribes the Economic Society of Australia Inc. as a body that may nominate persons for the purposes of paragraph 100B(1A)(b) of the National Health Act 1953. As that paragraph of the Act requires that a person must be appointed from nominations made by “professional associations of health economists”, the Committee seeks advice on whether the Economic Society of Australia Inc. is a professional association of health economists.

The Committee would appreciate your advice as soon as possible but before 16 March 2001 to enable it to finalise its consideration of these regulations. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG 49, Parliament House, Canberra.

Yours sincerely
Helen Coonan
Chair

16 March 2001
Senator H. Coonan
Chair
Senate Standing Committee on Regulations and Ordinances
Dear Senator Coonan

Thank you for your letter of 8 February 2001 concerning the National Health (Pharmaceutical Benefits) Amendment Regulations 2000 (No. 1) (Statutory Rules No. 369 of 2000).

In your letter you draw my attention to the fact that the amending regulations go beyond the scope of the enabling provision in the National Health Act 1953 (the Act), in that paragraph 100B(1A)(b) of the Act requires that a person must be appointed from nominations made by professional associations of health economists whereas subregulation 38A(2) of the Regulations states that certain associations of economists are prescribed.

I wish to advise the Committee that this was an inadvertent error made in the drafting of the amending regulations. An appropriate amendment to subregulation 38A(2) will be included amongst a number of other amendments to the National Health (Pharmaceutical Benefits) Regulations 1960 that will shortly be submitted to the Executive Council.

You also note that paragraph 38A(2)(b) of the Regulations prescribes the Economics Society of Australia Inc. as a body that may nominate persons for the purposes of paragraph 100B(1A)(b) of the Act, and seek advice as to whether or not that Society is a professional association of health economists. In this regard, I would advise that the Economics Society of Australia Inc. is a professional body of economists of various disciplines, one of which is health economics. The persons who were nominated by that Society are health economists.

I trust this information is satisfactory to the Committee.

With kind regards,

Yours sincerely

Michael Wooldridge

Minister for Health and Aged Care

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29 March 2001

The Hon Michael Wooldridge MP

Minister for Health and Aged Care

Parliament House

CANBERRA ACT 2600

Dear Senator Coonan

Thank you for your letter dated 16 March 2001 responding to the Committee’s concerns with the National Health (Pharmaceutical Benefits) Amendment Regulations 2000 (No.1), Statutory Rules 2000 No.369.

The Committee appreciates your advice that the Regulations will be amended to provide for persons to be appointed from nominations made by professional associations of health economists.

The Committee notes that s.100B(1A)(b) of the Act specifies that persons must be nominated from ‘professional associations of health economists’. The Committee further notes your advice that the Economics Society is a professional association of economists that includes health economists. The Committee would therefore appreciate your advice on whether the charter or the constitution of the Society expressly recognises health economists as part of its membership.

The Committee also seeks clarification on whether the requirement in the Act means ‘professional associations of economists that includes (expressly or otherwise) health economists’ or ‘professional associations that are restricted in membership to health economists.’

The Committee appreciates that it may be difficult to respond promptly to its further concerns before 2 April 2001 which is the last sitting day on which a notice of motion to disallow may be given. If this is the case, the Committee proposes to proceed with a notice of motion to disallow in order to preserve its options while it awaits your response on the above matters. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG 49, Parliament House, Canberra.

Yours sincerely

Helen Coonan

Chair

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26 April 2001

Senator H. Coonan

Chair

Senate Standing Committee on Regulations and Ordinances

Parliament House

CANBERRA ACT 2600

Dear Senator Coonan

Thank you for your further letter of 29 March 2001 concerning the National Health (Pharmaceutical Benefits) Amendment Regulations 2000 (No. 1) (Statutory Rules No. 369 of 2000).

I appreciate the Standing Committee’s concern that paragraph 38A(2)(b) of the National Health (Pharmaceutical Benefits) Regulations 1960 prescribes the Economics Society of Australia Inc. as a body that may nominate persons for the purposes of paragraph 100B(1A)(b) of the National
Health Act 1953 (the Act), and whether or not that Society is a professional association of health economists. In this regard, I have previously advised that the Economics Society of Australia Inc. is a professional body of economists of various disciplines, one of which is health economics. The persons who were nominated by that Society are health economists.

You ask whether the Society expressly recognises health economists as part of its membership. The constitution of the Society does not recognise any economic specialisation, including health economics. It is a broad-based organisation and its membership includes economists who work across the public, private and universities sectors.

The intention of the Act is to allow for the appointment of a health economist from a professional association that includes health economists. It was never intended that other than an economist with expertise in health financing should be appointed to the health economist position on the Pharmaceutical Benefits Advisory Committee.

I trust this information is satisfactory to the Committee.

With kind regards,

Yours sincerely

Dr Michael Wooldridge
Minister for Health and Aged Care

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

1 March 2001
Senator the Hon Robert Hill
Minister for Environment and Heritage
Parliament House
CANBERRA ACT 2600
Dear Minister

I refer to the Renewable Energy (Electricity) Regulations 2001, Statutory Rules 2001 No. 2. The Committee seeks your advice on four aspects of these regulations.

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

Regulation 14 sets out the general formula for determining the amount of electricity generated by an accredited power station. The Committee seeks clarification on the construction and application of this formula.

Regulation 28 specifies a number of fees for registration and other matters. The Explanatory Statement does not explain the basis on which these fees have been determined. The Committee would appreciate your advice on the basis for these fees.

Item 1 of Schedule 2 to the Regulations deals with revocation of accreditation. The heading to the Item refers to paragraph 4(2)(b) of the Regulations. Firstly, that paragraph states that Schedule 2 sets out guidelines for eligibility and revocation of eligibility for accreditation. The Committee notes that Schedule 2 does not expressly provide guidelines for eligibility for accreditation. Secondly, paragraph 4(2)(b) is expressed to be made for the purposes of subsection 14(4) of the Act. However, there does not appear to be any reference in that subsection, or in any part of section 14, to the revocation of accreditation. The Committee would therefore appreciate your advice on the legislative basis for the provisions in Schedule 2 of the Regulations.

The Committee would appreciate your advice as soon as possible but before 28 March 2001 to enable it to finalise its consideration of these determinations. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG 49, Parliament House, Canberra.

Yours sincerely

Helen Coonan
Chair

28 March 2001
Ms Helen Coonan
Chair
Senate Standing Committee on Regulations and Ordinances
Room SG49
Parliament House
CANBERRA ACT 2600
Dear Senator Coonan

Thank you for your letter of 1 March 2001 regarding the comments of the Standing Committee on Regulations and Ordinances on the Renewable Energy (Electricity) Regulations 2001.

In regard to the definition of native forests in regulation 3, the Government has re-examined the reference provided by the Office of Regulatory Drafting in the drafting instructions and agrees
that the reference provided in the regulations will need to be revised. The correct reference should be National Forest Policy Statement and the correct ISBN for the policy statement 0 642 18239 6.

An amendment to the regulations, to include newly certified solar water heaters, will be made soon and this issue will be addressed at this time.

The general formula for eligible generation outlined in regulation 14 is designed to ensure the point of measurement for eligible generation is consistent with the point of measurement for relevant acquisitions, or liability. In determining the point at which liability should be measured, the Renewables Target Working Group, established in 1998 to develop implementation recommendations for the target, considered the issue in the context of physical electricity flows and existing electricity supply system measurement points. Wholesale purchases in the NEM, accounting for approximately 85% of electricity generation in Australia, are measured at the wholesale pool. However, electricity generation is normally measured at the generator terminals (at a point prior to being dispatched to the transmission system and wholesale pool). It was considered inequitable if eligibility and liability for renewable energy certificates were measured at different measurement points. Adopting the same measurement point for eligibility and liability is achieved by adjusting eligible generation for transmission losses, which results in certificates only being created for the amount of electricity made available for consumption.

In addition, the formula also allows for the situation where a self-generator may use all or some of the generation in an on-site process. Under such a scenario, certificates could be created for electricity used in on-site processes, such as the manufacture of a product, and transmission losses would only be deducted for the electricity sent off site (Dispatched Level of Generation).

A number of issues were taken into account in determining the level of fees to be applied to the services performed by and on behalf of the Office of the Renewable Energy Regulator. The fees for registration of persons and companies and accreditation of power stations are set at a level so as to partially recover the costs incurred, at an administrative and technical level, by the regulator in performing this service. The structure of the fees will allow for work involved in analysing the highly differing levels of data, in both quality and complexity, received from power stations seeking accreditation. They are also structured so as not to discourage smaller generators, notably persons with small generating units and solar water heaters, from participating in the scheme.

In regard to determining the fees for registration and surrender of certificates a number of objectives were considered, including providing a high level of service to system users and governments, but at a cost that encouraged participation in the measure. The Government conducted a competitive tender process to select the service provider which could meet the Government’s needs at acceptable cost.

The final fee structure was based on the estimates of the cost of providing the service developed by the preferred tenderer, taking into consideration likely contractual volumes in the five year term of the contract. The fees in the regulations reflect the best estimates of the likely costs of providing an internet-based renewable energy certificate registry and surrender facility.

You also question the legislative basis on which regulation 4(2)(b) draws authority to revoke accreditation. The Office of Legislative Drafting, in drafting the regulations, has advised that this power arises from provisions in the Acts Interpretation Act 1901 which allow a party with the right to confer a benefit to also withdraw that benefit. As the Renewable Energy Regulator has the ability to accredit power stations, and therefore disaccredit power stations, it was considered necessary to include guidelines for the use of this power in the regulations to provide greater transparency for industry.

Yours sincerely

Robert Hill

Minister for the Environment and Heritage

29 March 2001
Senator the Hon Robert Hill
Minister for Environment and Heritage
Parliament House

CANBERRA ACT 2600

Dear Minister


The Committee appreciates your advice that the reference to the ISBN for the policy statement was incorrect and will be revised. However, the Committee previously sought your advice on whether it would be more appropriate to include the meaning given to these terms in Regulation 3 rather than by cross-reference to the policy statement. The Committee has considered this matter further and is of the view that cross-referencing a policy statement for a definition is wrong in principle as a policy statement it not meant to be
normative. The Committee therefore seeks your further advice on whether it would be more appropriate that the definition be included in the Regulations.

In addition, the Committee notes your advice on the legislative basis for the revocation of an accreditation. The Committee would appreciate receiving a copy of the Office of Legislative Drafting advice to enable it to inform itself properly on this aspect of the instrument.

The Committee appreciates that it may be difficult to respond promptly to its further concerns before 2 April 2001 which is the last sitting day on which a notice of motion to disallow may be given. If this is the case, the Committee proposes to proceed with a notice of motion to disallow in order to preserve its options while it awaits your response on the above matters. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG 49, Parliament House, Canberra.

Yours sincerely
Helen Coonan
Chair

30 April 2001
Ms Helen Coonan
Chair
Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600

Dear Ms Coonan


In response to your further queries I have instructed the Office of Legislative drafting to replace existing references to definitions contained within the National Forest Policy Statement with the actual definitions of native forests and plantations contained in the statement. Drafting is currently underway to address a number of other necessary amendments this amendment will be incorporated as part of that process. I anticipate making the amendments to the regulations available for public comment, in line with the requirements of the Renewable Energy (Electricity) Act 2000 in early May, with consideration of the revised regulations expected in June 2001.

I have contacted the Office of the Legislative Drafting seeking the written advice you requested on the powers of the Renewable Energy Regulator to revoke accreditation of power stations. The written advice of the Office of Legislative Drafting is attached for your information, confirming that the Office considers the revocation powers to be valid.

Yours sincerely
Robert Hill
Minister for the Environment and Heritage

ATTORNEY-GENERAL’S DEPARTMENT
Office of Legislative Drafting
TO Karia Wass
Manager
Office of the Renewable Energy Regulations
FROM Patrick Dodgson
Legislative Counsel
DATE 6 April 2001

RENEWABLE ENERGY (ELECTRICITY) REGULATIONS 2001

I refer to your letter of 4 April seeking written advice on the legislative basis of Schedule 2 of the Renewable Energy (Electricity) Regulations 2001.

2. During the drafting of the regulations, I considered whether regulations could be made under the Renewable Energy (Electricity) Act 2000 to provide for guidelines for revocation of accreditation of eligible power stations. I concluded, and advised you orally, that they could.

3. Subsection 33(3) of the Acts Interpretation Act 1901 provides that:

Where an Act confers power to make, grant or issue any instrument (including rules, regulations or by-laws) the power shall, unless the contrary intention appears, be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend, or vary any such instrument.

4. For the Renewable Energy (Electricity) Act, the relevant instrument is the Regulator’s determination, under section 15, that a power station is eligible for accreditation.

5. Under subsection 14(4) of the Act, the Regulator must make a determination under paragraph 14(1)(b) (whether the power station is eligible for accreditation) ‘in accordance with guidelines prescribed in the regulations’. The determination is clearly intended by the Act to be in the form of an instrument. For this purpose, an instrument does not have to be legislative in char-
acter. It can also be of an executive or administrative nature.

6. If section 15 includes, by force of subsection 33(3) of the Acts Interpretation Act, power to revoke a determination of eligibility for accreditation, then subsection 14(4) includes power to make guidelines for revocation of eligibility for accreditation.

7. Please let me know if you need any further assistance in this matter.

Fisheries Management Amendment Regulations 2001 (No.2), Statutory Rules 2001 No.22
29 March 2001
The Hon Wilson Tuckey MP
Minister for Forestry and Conservation
Parliament House
CANBERRA ACT 2600
Dear Minister

I refer to the Fisheries Management Amendment Regulations 2001 (No. 2), Statutory Rules 2001 No. 22, that provide new procedures for public notification of determinations regarding logbooks made by the Australian Fisheries Management Authority.

New subregulation 32(6) gives AFMA the choice of either publishing in a newspaper a notice of the making of a determination (but not the entire determination itself), or sending a copy of the entire determination by post to each holder of a relevant fishing licence. According to the Explanatory Statement, the purpose of this amendment is to "streamline the procedures for publicly notifying the making of a determination" and, in the case of notification by post, to provide a mechanism that "will be less costly and more effective for some small fisheries". The Explanatory Statement does not indicate the criteria which will be used to determine when the postal notification method is used instead of notification in a newspaper. The Committee therefore seeks clarification on the factors that determine when either of these procedures would be used.

This query aside, the Committee appreciates the helpful detail that was provided in the Explanatory Statement for this instrument, and those for Statutory Rules 2001 Nos. 21 and 23, both dealing with fisheries management.

The Committee would appreciate your advice as soon as possible but before 4 April 2001 to enable it to finalise its consideration of these regulations. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG 49, Parliament House, Canberra.
Guidelines for Detention of, Dealing with, and Disposal of Drug like substances, made under subsection 99ZS(1) of the National Health Act 1953

Health Insurance Commission Export of Pharmaceutical Benefits Guidelines, made under subsection 99ZS(2) of the National Health Act 1953

29 March 2001
The Hon Michael Wooldridge MP
Minister for Health and Aged Care
Parliament House
CANBERRA ACT 2600
c: Senator the Hon Christopher Ellison
Minister for Justice and Customs
Parliament House
Dear Minister
I refer to the Guidelines for Detention of, Dealing with, and Disposal of Drug like substances and the Health Insurance Commission Export of Pharmaceutical Benefits Guidelines made under subsections 99ZS(1) and (2) of the National Health Act 1953. These Guidelines specify guidelines for the Australian Customs Service and the Health Insurance Commission concerning the export of Pharmaceutical Benefits Scheme Prescription Drugs.

These two sets of guidelines appear to be complementary, dealing with the procedures to be adopted by the Customs Office and the Health Insurance Commission (HIC), respectively. The Customs guidelines provide that where drugs are detained they will be placed in an approved Customs evidence bag and sealed. The guidelines then state that “Where HIC staff are immediately available to take control of the drugs, this will not be necessary”. The Customs guidelines do not indicate why an evidence bag is not necessary in the latter case. It may be that the answer is supplied by item 3.3 of the HIC guidelines, which states that “the Commission officer shall ensure the security of the drug like substance once in their possession for conveyance to the Commission office”, and item 3.4 which states that prior to drugs being conveyed to the Commission, “the Commission officer will place the suspected drug like substance/s in a tamper proof bag” which is then sealed. The Committee would, however, appreciate clarification on the operation of these procedures and an assurance that drugs which are detained are secured from tampering at all stages before they are examined by the Commission.

The Committee draws to your attention a typographical error in the HIC guidelines at item 4, where the word “unsure” should be “ensure”.

The Committee would appreciate your advice as soon as possible but before 4 April 2001 to enable it to finalise its consideration of these guidelines. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG 49, Parliament House, Canberra.

Yours sincerely
Helen Coonan
Chair

5 April 2001
Senator H. Coonan
Chair
Senate Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600
Dear Senator Coonan
Thank you for your letter of 29 March 2001 concerning the guidelines made under subsections 99ZS(1) and (2) of the National Health Act 1953 (the Act). The two sets of guidelines are complementary, dealing with procedures to be followed by officers of the Australian Customs Service and the Health Insurance Commission respectively in relation to matters arising under Division 4D of Part VII of the Act. That Division deals with restrictions on the exports of drugs supplied under the Pharmaceutical Benefits Scheme.

Your Committee notes that the Customs Guidelines provide that detained drugs are to be placed in an approved Customs bag and sealed, except where Health Insurance Commission (HIC) staff are immediately available to take control of the drugs. You ask why an evidence bag is not necessary in the latter case, surmising that provisions in the HIC Guidelines are applicable. I wish to advise that the Committee’s assumption is correct. When an officer of the HIC is immediately available, that officer will take control of the drugs and follow the procedures described in items 3.3 and 3.4 of the Guidelines. I wish to assure the Committee that drugs which are detained will at all stages be secured from tampering prior to their examination by the HIC.

Thank you for pointing out the typographical error in item 4 of the HIC Guidelines. It has been drawn to the attention of the HIC and will be corrected at the first available opportunity.

With kind regards,
Yours sincerely
Dr Michael Wooldridge
Minister for Health and Aged Care
Interstate Road Transport Amendment Regulations 2001 (No.1), Statutory Rules 2001 No.15

1 March 2001
Senator the Hon Ian Macdonald
Minister for Regional Services, Territories and Local Government
Parliament House
CANBERRA ACT 2600
Dear Minister

I refer to the Interstate Road Transport Amendment Regulations 2001 (No 1), Statutory Rules 2001 No. 15, that make new provisions governing the suspension of registration of a motor vehicle or trailer registered under the Interstate Road Transport Act 1985.

The Explanatory Statement notes that the amendment in item 7 to subregulation 52(1) is required, in part, because of a misdescription in regulation 12 of Statutory Rules 1996 No. 250. That misdescription concerned regulation 12ZAB. However, regulation 12 of the 1996 Statutory Rules also refers to regulation 12ZAB. Hence it is not clear what error it is that the present amendment seeks to rectify. The Committee would therefore appreciate clarification on the reason for this amendment.

The Committee would appreciate your advice as soon as possible but before 2 April 2001 to enable it to finalise its consideration of these determinations. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG 49, Parliament House, Canberra.

Yours sincerely
Helen Coonan
Chair

5 April 2001
Senator Helen Coonan
Chair
Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600
Dear Senator Coonan

I refer to your letter of 1 March 2001 to my ministerial colleague, Senator the Hon Ian Macdonald, regarding recent amendments to the Interstate Road Transport Regulations 1986 in Statutory Rules 15 of 2001. As these regulations fall within my direct portfolio responsibilities, I consider it appropriate to reply personally on this matter.

I note your query about the need for item 7 which amends subregulation 52(1), particularly the addition of regulation of 12ZAB to the list of items included in the definition of “prescribed penalty” which, as you point out, was included as an amendment in Statutory Rules 12 of 1996.

I am advised that regulation 12 of Statutory Rules 1996 No. 250 was regarded as misdescribed because of a ‘rogue’ comma included after the reference to “subregulation 15(1)”. The inclusion of a reference to “regulation 12ZAB” was in fact correct and was the intent of the amendment. The present amendment therefore seeks to achieve the original intent of regulation 12 of Statutory Rules 1996 No. 250 by inserting the reference to “regulation 12ZAB” in subregulation 52(1).

I note that the drafters have also taken the opportunity to update the drafting of the provision generally, to make it consistent with current drafting practices.

I hope that this response addresses your concerns satisfactorily.

Yours sincerely
John Anderson
Minister for Transport and Regional Services

Radiocommunications Licence Conditions (Broadcasting Licence) Amendment Determination 2001 (No.1), made under paragraph 107(1)(f) of the Radiocommunications Act 1992

29 March 2001
Senator the Hon Richard Alston
Minister for Communications, Information Technology and the Arts
Parliament House
CANBERRA ACT 2600
Dear Minister

I refer to the Radiocommunications Licence Conditions (Broadcasting Licence) Amendment Determination 2001 (No. 1), made under paragraph 107(1)(f) of the Radiocommunications Act 1992, that imposes a new ‘use it or lose it’ condition on low power open narrowcasting licences.

I note that the drafters have also taken the opportunity to update the drafting of the provision generally, to make it consistent with current drafting practices.

I hope that this response addresses your concerns satisfactorily.

Yours sincerely
John Anderson
Minister for Transport and Regional Services
12 April 2001
Senator Helen Coonan
Senator for New South Wales
Chair
Senate Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600
Dear Senator Coonan
Thank you for your letter of 29 March 2001 seeking advice on the meaning of “reasonable regularity” in the context of paragraph 4.11(1)(b) of the Radiocommunications Licence Conditions (Broadcasting Licence) Amendment Determination 2001 (No 1).

The Australian Communications Authority (ACA) formulated the Determination. I have therefore consulted the ACA which advised the following:

The intent of the recent amendments to the above Licence Conditions Determination (LCD) is to ensure that the limited spectrum available for low power open narrowcasting (LPON) is actually used to provide services to the community, not speculative gain to a few individuals and companies.

Currently there are about 1500 licences on issue throughout Australia, of which it is estimated about 65% are not operating. Those which are operating offer a range of narrowcasting programs such as tourist information, horse racing results, snow and skiing information, sporting events, ethnic language programs, religious programs, school programs and dance programs.

In framing the conditions necessary to ensure usage (paragraph 4.11(1)(b)), account was paid to the Broadcasting Services Act 1992 definition of open narrowcasting services. Section 18 of that Act states:

“Open narrowcasting services are broadcasting services:

a) whose reception is limited:

(i) by being targeted to special interest groups; or

(ii) by being intended only for limited locations, for example, arenas or business premises; or

(iii) by being provided during a limited period or to cover a special event; or

(iv) because they provide programs of limited appeal; or

(v) for some other reason; and

b) that comply with any determinations or clarifications under section 19 in relation to open narrowcasting services.”

In practice, many LPONs operate over restricted and varied periods. A snow/skiing LPON service may only operate in the winter months and may not operate twenty-four hours a day. Religious LPON services may only operate on Sundays. Those LPONs used to cover sporting events at a stadium may operate only when events are scheduled and then only for the duration of the event. Conversely, an ethnic language LPON service may operate twenty-four hours a day, seven days a week. All of the above situations are acceptable LPON services.

The condition is intended to apply in all possible circumstances. Specifying a minimum number of hours of transmission per period was not appropriate in all cases and could be considered onerous by some licensees - hence the term “reasonable regularity”.

Generally the test of what is reasonable depends on the circumstances and is a question of fact for the decision-maker (or tribunal). What is required has to be within the limits of reason, and not something greatly less or more than might be thought likely or appropriate. It is not a subjective test by which the licensee can determine what is simply convenient. The test requires that the nature of the service and its regularity and the circumstances must be looked at objectively.

Should it be necessary to investigate a complaint that an operator of an LPON is not providing a service, the LPON licensee may need to justify, as part of the process, that the hours of service he or she is providing are both “reasonable” and “regular” and are appropriate to the type of narrowcasting program format he or she purports to transmit.

I hope this information is of assistance.

Yours sincerely

Richard Alston
Minister for Communications,
Information Technology and the Arts
States Grants (Primary and Secondary Education Assistance) (SES Scores Guidelines) Approval 2000, made under section 7 of the States Grants (Primary and Secondary Education Assistance) Act 2000

8 March 2001
The Hon David Kemp MP
Minister for Education, Training and Youth Affairs
Parliament House
CANBERRA ACT 2600
Dear Minister

I refer to the States Grants (Primary and Secondary Education Assistance) (SES Scores Guidelines) Approval 2000 made under section 7 of the States Grants (Primary and Secondary Education Assistance) Act 2000, that approves guidelines for the determination of an SES (socioeconomic status) score for a school.

The Committee notes that an Explanatory Statement was not provided with this instrument. The Committee is of the view that all regulations and disallowable instruments should be accompanied by an explanatory statement that states the authority for making the instrument, summarises its likely impact and effect and provides an item-by-item explanation of each provision in the instrument.

The Committee also notes in clause 3 that there may be occasions when it would not be reasonably practicable to geocode a student’s residential address. The Committee would appreciate your advice about the circumstances where it would be impracticable to geocode addresses.

The Committee would appreciate your advice as soon as possible but before 3 April 2001 to enable it to finalise its consideration of this instrument. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG 49, Parliament House, Canberra.

Yours sincerely
Helen Coonan
Chair

21 May 2001
Senator Helen Coonan
Chair
Senate Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600
Dear Senator

I refer to your letter of 8 March 2001 about the States Grants (Primary and Secondary Education Assistance) (SES Scores Guidelines) Approval 2000 (“the Approval”) made under section 7 of the States Grants (Primary and Secondary Education Assistance) Act 2000. I apologise for the delay in responding to your letter which has only recently come to my attention.

An Explanatory Statement for the Approval is attached.

You requested advice in relation to clause 3 of the Approval about the circumstances where it would be impracticable to geocode student residential addresses. Clause 3 of the Schedule of Attachment to the Approval states that each student residential address contained in the statement of addresses for a school is to be geocoded unless it is not reasonably practicable to geocode that address.

Geocoding is the process of assigning a student residential address to one of the Census Collection Districts designated by the Australian Bureau of Statistics for the purposes of the 1996 Census of Population and Housing. For an address to be geocoded it must be located in Australia in a geographical sense and there must be sufficient information available to the Department of Education, Training and Youth Affairs to allow the address to be assigned to a particular Census Collection District. Where an address cannot be geocoded it is not included in calculating an SES score for a school.

It is intended that all student residential addresses be geocoded and this general rule is set out in clause 3. However, this is not always possible and examples follow of circumstances where it is not. Therefore, there is an exception to the general rule so that an address need not be geocoded where it is not reasonably practicable to do so. This allows an SES score to be calculated for a school notwithstanding that all addresses have not been geocoded, thereby avoiding disadvantaging the school through delays or otherwise.

The circumstances where geocoding is not reasonably practicable include instances where the student boards either with a school or privately and whose Australian parents live overseas and do not maintain an Australian address. The overseas address of the parents would be included in the statement of addresses for the school but would not be geocoded as the address is not in Australia. A similar situation would exist for students with Australian residency (temporary or permanent) but with no Australian residential address.

There are also situations where the school does not hold enough address information for a student and the parents of the student cannot be contacted to obtain further details to enable the address to
be geocoded. Addresses such as these would include Post Office Box numbers only, street addresses without street numbers, and property names without additional location information. If no further details could be obtained through the school within a reasonable time, then these addresses would not be geocoded.

In summary, the reasons why a student residential address would not be geocoded are associated with the technical aspects of geocoding and it is essential that there be an exception to the general rule that all student residential addresses be geocoded to deal with those cases. Otherwise some schools could be seriously disadvantaged.

I trust this information is of assistance to the Committee and that the Committee will not proceed with the motion to disallow the Approval.

Yours sincerely

David Kemp MP

Minister for Education, Training and Youth Affairs

BUSINESS

General Business

Motion (by Senator Ian Campbell) agreed to:

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

(1) general business notice of motion No. 916 standing in the name of Senator Bishop relating to datacasting; and

(2) consideration of government documents.

Government Business

Motion (by Senator Ian Campbell) agreed to:

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.

ENVIRONMENT PROTECTION AND BIODIVERSITY CONSERVATION AMENDMENT (WILDLIFE PROTECTION) BILL 2001

First Reading

Motion (by Senator Ian Campbell) agreed to:

That the following bill be introduced: A Bill for an Act to amend the Environment Protection and Biodiversity Conservation Act 1999, and for other purposes.

Motion (by Senator Ian Campbell) agreed to:

That this bill may proceed without formalities and be now read a first time.

Bill read a first time.

Second Reading

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (9.33 a.m.)—I table the explanatory memorandum and move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

I mentioned in my address to the Senate during the Centenary of Federation sittings in Melbourne that one of the most important issues for the next century would be preventing the extinction of species.

I made that statement because I believe we have a responsibility to future generations to safeguard the planet’s biodiversity.

I am pleased that today I am introducing into the Senate a Bill that will help us to discharge that responsibility.

The Environment Protection and Biodiversity Conservation Amendment (Wildlife Protection) Bill 2001 enhances protection for Australia’s native species and for species in other countries that are threatened by trade.

Importantly, the Bill will also establish a regime that is transparent and user-friendly. The rules have been simplified to enable the costs of administration to be reduced. Resources will instead be focussed on high priority conservation measures. Permits will no longer be required for trivial cases. The focus has shifted from process to outcomes, delivering benefits for proponents and the environment.

On a global scale, the illegal trade in wildlife is horrific. In dollar terms, it is likely to be second only to the illicit drug trade. Most people are aware of high profile species such as the black rhino and the elephant and the role that illegal trade has played in their demise. But there are also many less-charismatic species that have been seriously threatened by illegal trade – species such as the Chiru (a tibetan antelope), Brazilian
Rosewood, the salmon-crested cockatoo from Indonesia, Queen Alexandra’s butterfly from Papua New Guinea and the Baltic Sturgeon. Australian native species are also in demand by wildlife smugglers. A rough knob-tailed gecko can fetch up to US$2000, while the Palm Cockatoo may be sold for US$12,000 (per pair).

There are also good news stories, where truly sustainable (often community-based) use of wildlife is delivering real conservation benefits. The Bill seeks to promote such outcomes, ensuring that any use of wildlife is ecologically sustainable.

Australia, along with more than 150 other nations, is a party to the Convention on International Trade in Endangered Species (CITES). This Convention provides an international framework for addressing the threats to wildlife from international trade.

Australia is recognised for the leadership role it has played within CITES. In recent years, we have enhanced this reputation through our advocacy of pioneering measures to protect marine species under CITES. We were successful in uplisting our population of dugong to Appendix I, we have nominated the Great White Shark for CITES listing and we have initiated work under CITES on the conservation of sygnathids and seahorses. In addition, Australia has actively opposed recent proposals to downlist the great whale species.

CITES is currently implemented in Australia through the Wildlife Protection (Regulation of Exports and Imports) Act 1982. While the Wildlife Protection Act is still fundamentally sound, it no longer represents best practice.

The processes under the Wildlife Protection Act are not user-friendly. The provisions are too complex, and permits are required in circumstances where the permitting process delivers no conservation benefit. In addition, the Act is difficult to enforce, does not sufficiently incorporate requirements for ecosystem assessments and does not incorporate important principles such as the precautionary principle.

Accordingly, the Bill provides for the Wildlife Protection Act to be repealed and the scheme for regulating wildlife trade to be upgraded, simplified and incorporated into the EPBC Act.

The new wildlife trade provisions of the EPBC Act fully implement CITES and will ensure Australia continues to have the toughest wildlife trade laws in the world.

The Bill also introduces into the EPBC Act measures that regulate trade in Australia’s native species that are not CITES-listed.

The EPBC Act provides, for the first time in the history of our Federation, substantive protection under Commonwealth legislation for threatened species and their habitats.

Now the protection offered by the EPBC Act is further enhanced by the inclusion of measures to regulate trade in our biodiversity, with the objective of ensuring any use of our native species is ecologically sustainable.

The Bill delivers many improvements over the existing regime in the Wildlife Protection Act. For example:

- Under the new regime, decisions regarding the sustainable use of wildlife, including permit decisions and decisions whether to approve harvesting arrangements, must consider potential impacts on the eco-system generally. As a result, the Bill requires an assessment of both the broader impacts on biodiversity and habitat and the direct impacts on the species to be harvested.

- Animal welfare considerations are a higher priority. The Bill increases the emphasis on welfare issues by providing the Government with the capacity, through regulations, to ensure proposals for the sustainable use of wildlife observe strict welfare requirements.

- The rules are simplified. Permits will not be required for trivial cases – such as the export of a moulted feather.

- Inclusion in the EPBC Act framework means the wildlife trade provisions are more effectively integrated with formal environmental impact assessment processes. These processes, reflecting best environmental practice, incorporate strict timeframes to ensure efficient consideration by Government.

- Enforcement of the Bill is significantly enhanced by a restructuring of the offence of possession of an illegally imported specimen. If a person is caught in possession of a CITES species or a product derived from a CITES species, no longer will the prosecution bear the burden of having to prove that the product has been illegally imported. This burden on the prosecution has rendered effective enforcement of the Act almost impossible. Under the Bill, a defendant will now need to provide evidence (such as an import permit) that the CITES specimen was legally imported. This is a major step forward in the enforcement of CITES in Australia.
• Commercial exports of products derived from native species may occur only if the relevant species is harvested in accordance with arrangements approved by the Federal Environment Minister. The Bill strengthens the sustainability criteria that these arrangements must meet – requiring ecosystem assessments, adherence to best practice welfare requirements, adaptive management schemes and strong monitoring and enforcement regimes. In particular, the Bill encourages the development of higher-level management plans rather than allowing inappropriate reliance on lower-level wildlife trade operations (formerly controlled specimen declarations). This is achieved by limiting the types of operation that can be approved as a wildlife trade operation.

• The Bill introduces a requirement for the precautionary principle to be considered in making decisions regarding the use of wildlife.

• Ground-breaking provisions introduce a formal process for the strategic environmental assessment of proposals to import live animals and plants, providing a new level of protection against potentially invasive species. The intent is to prevent additional invasive species entering Australia. These provisions will complement Australia’s existing quarantine legislation.

• The Bill maintains the ban on commercial exports of live native mammals, birds, reptiles and amphibians.

• The transparency of the decision-making process is enhanced through provisions requiring publication of applications and decisions on the Internet.

• Protection for dolphins and whales is improved.

Importantly, the Bill also enhances the efficiency and timeliness of the approval process. As a result, the new scheme is user-friendly and free from unnecessary impediments to the ecologically sustainable and ethical use of our native species. For example, the Bill provides a streamlined process for permit decisions, including tight statutory timeframes.

It also provides greater flexibility for non-commercial exports from, and imports to, Australian zoos (private and public) for the purposes of exhibition and conservation breeding.

In addition, for the first time the Bill provides for the Commonwealth accreditation of State wildlife management plans. Exports carried out in accordance with an accredited plan do not require export permits. This is a major advantage for those industries that can demonstrate they operate in accordance with a management plan that is truly world’s best practice. However, the criteria for accreditation are strict – the management plan must contain specific and ecologically sustainable limits on the taking of native species. Harvesting arrangements, including the specific limits on harvesting, must be approved by the Federal Environment Minister.

The Bill retains the requirement for an import permit in respect of species listed on Appendix II. This provision goes beyond the strict requirements of CITES, maintaining Australia’s reputation at the forefront of global efforts to protect species that may be threatened by trade.

The Bill does recognise some CITES exemptions for the first time – including the personal and household effects exemption and a limited exemption for CITES II personal baggage imports. These exemptions do not in any way undermine Australia’s strict conservation requirements. Rather, they mean that permits will not be required in trivial cases. For example, it will be possible to import some items, such as limited quantities of American Ginseng, without a permit from the Federal Environment Minister. This will reduce unnecessary administrative costs, freeing up resources that can be reallocated to issues of true conservation significance.

The Bill also includes three minor changes to enhance the efficiency of the environmental assessment process for matters of national environmental significance.

• Regulations can be made identifying actions that are taken to be actions that trigger the national environmental significance provisions in Division 1 of Part 3 of the EPBC Act. This will enable the Government to provide greater certainty for all stakeholders by identifying in regulations those actions (or classes of action) that it believes will or should trigger the EPBC Act. For example, the regulations will reduce uncertainty in relation to ‘marginal cases’ that are specified in regulations.

• The Minister can issue an evidentiary certificate which is prima facie evidence that a person has, is or is likely to contravene a civil penalty provision in relation to the protection of a matter of national environmental significance. It is intended that evidentiary certificates will only be issued where the Minister has reasonable grounds to believe that a person has, is or is likely to contravene a relevant civil penalty provision.
• The EPBC Act currently permits the Environment Minister, in certain circumstances, to request a proponent to refer an action for a decision as to whether or not approval under the Act is required. The Bill provides that where a proponent fails to refer an action as requested, the Environment Minister can make a decision as to whether or not approval is required. Such a decision can therefore be made only after providing an opportunity (15 business days) for consultation with the person to whom the request is made. The government places a high priority on this consultation. If there nevertheless remains a difference of view on whether the Act applies, the Government can decide to trigger the Act in the absence of a referral where necessary to promote:
  • a timely and efficient assessment process (including through the accreditation of State processes); and/or
  • the protection of matters of national environmental significance.

Given the opportunity for consultation, it is expected that this course of action will rarely be required.

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

**DAIRY PRODUCE LEGISLATION AMENDMENT (SUPPLEMENTARY ASSISTANCE) BILL 2001**

*Referral to Committee*

Motion (by Senator Woodley) agreed to:

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.

**COMMITTEES**

*Economics References Committee*

*Extension of Time*

Motion (by Senator O’Brien, at the request of Senator Murphy) agreed to:

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.

**HUMAN RIGHTS (MANDATORY SENTENCING FOR PROPERTY OFFENCES) BILL 2000**

*Referral to Committee*

Motion (by Senator Brown) agreed to:

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.

**COMMITTEES**

*Foreign Affairs, Defence and Trade References Committee*

*Extension of Time*

Motion (by Senator Hogg) agreed to:

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.

**G & K O’CONNOR MEATWORKS: DEPARTMENTAL FILES**

Motion (by Senator Carr) agreed to:

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:


(b) Department of Employment, Workplace Relations and Small Business, File No: WR99/13790 entitled Meat Processing...

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

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.

**UNITED NATIONS CONVENTION ON THE ELIMINATION OF ALL FORMS OF DISCRIMINATION AGAINST WOMEN**

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

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.

**TIBET: AUSTRALIAN WORKERS**

Senator BROWN (Tasmania) (9.37 a.m.)—I ask that general business notice of
motion No. 912, standing in my name for today and relating to the 50th anniversary of China’s military takeover of Tibet, be taken as a formal motion.

Leave not granted.

Suspension of Standing Orders

Senator BROWN (Tasmania) (9.37 a.m.)—I note the Labor Party’s objection to general business notice of motion No. 912 being taken as a formal motion and, pursuant to contingent notice, I move:

That so much of the standing orders be suspended as would prevent Senator Brown moving a motion relating to the conduct of the business of the Senate, namely, a motion to give precedence to general business notice of motion No. 912.

The motion reads:

That the Senate, on the 50th anniversary of China’s military takeover of Tibet, calls on Australian individuals, agencies and companies working in Tibet to ensure that they do not:

(a) deplete natural resources, with little or no benefit to the Tibetan people—
I will ask the Labor Party to explain why it opposes that—

(b) facilitate the erosion of Tibetan culture and traditions—
I will ask the Labor Party why it objects to that—

(c) facilitate the migration and settlement of non-Tibetans into Tibet—
I will ask the Labor Party why it objects to Australians not doing so—

(d) negatively affect the sustainability of Tibet’s ecosystems—
I will ask the Labor Party why it objects to Australians not harming Tibet’s ecosystems—

(e) transfer ownership of Tibetan land and natural resources to non-Tibetans—
I will ask the Labor Party and the government why they object to that—

(f) initiate and operate projects without the participation of affected Tibetans; or

(g) facilitate large-scale, capital-intensive and commercial projects.

I ask the Labor Party why it objects even to a debate on Australians being restrained or asked to not go against the interests of Tibetans when Australians are working in Tibet.

This is the 50th anniversary of China’s military takeover of Tibet. It is very important for us to note the difference between what is happening in Washington—where, overnight, President Bush commendably received the Dalai Lama at the White House—and the attitude in Australia, where the Australian government has decided to send a representative to a disgusting and obscene celebration of the takeover of Tibet at the communist Chinese embassy.

Here we have the Howard government deciding that it is going to celebrate the death of a million Tibetans, the enslavement of a country, the biggest military occupation that exists anywhere on the face of the planet, the continued imprisonment and torture of Buddhist monks and nuns—who, as we debate this this morning, are in the prisons in their hundreds in their home country—and the flight over the Himalayas into Nepal each winter of some 4,000 Tibetans. This is a disgusting and cruel occupation of Tibet by the communist regime in Beijing, and here we have the coalition government going down to sip champagne to celebrate that.

Prime Minister Howard should call it off. It is one thing to go down and talk trade with Beijing; it is another to go down and celebrate the agony of Tibet with the Beijing regime. This is a black spot in Australian diplomatic affairs if ever there was one. What can be gained from the Howard government sending an Australian emissary around to the Chinese embassy tonight to celebrate the occupation of Tibet? Would it send, as the Australia Tibet Council points out, an emissary around to an Iraqi facility to celebrate the takeover of Kuwait?

Australia has diplomatic relationships with China. But to celebrate the destruction of Tibet’s culture, the denial of human rights in Tibet and the imprisonment of freedom fighters—and they are peaceful; these are monks and nuns we are talking about—in their hundreds in the Chinese embassy tonight is simply disgusting, and the Australian people will not endorse that, I can tell you, Madam President. The Minister for Foreign Affairs, Alexander Downer, has made a mistake and Prime Minister Howard should rectify it and call it off. There will be Tibet-
ans outside the embassy tonight. They are a small number—they are outnumbered—but they will be there as a little act of defiance against this cowardly kowtowing to Beijing by the Howard government. My motion calls for Australian companies and entities who go to Tibet to act ethically. I ask the Labor Party why it cannot support that. This is not a foreign affairs matter. This is saying to domestic Australian entities: do the right thing in Tibet. (Time expired)

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (9.43 a.m.)—I did listen carefully to Senator Brown’s arguments. Most of them went to the substance of the motion, and I am not critical of him for presenting his case in that way. But we need to acknowledge what is before the Senate at the moment, and that is a suspension of standing orders motion that has been moved by Senator Brown to enable this chamber to give priority to debate on the general business notice of motion that Senator Brown in some detail has outlined. The truth of the matter is that what now faces the chamber is whether we decide to give priority to debating those issues.

I am willing to say to Senator Brown that of course the issues he raises are significant ones. They are among any number of important issues that this chamber can give time to and consider. No-one in the opposition is going to deny that, and I do not think anyone in the chamber would deny it. But let us be clear what we have before us. At the moment, we have a cognate package of four bills on which a resolution has passed in this chamber that the Senate will sit until we do finalise that particular package of legislation.

The opposition, for our part, had other priorities, and I would like Senator Brown to take this into account. We were very keen to deal with a motion in relation to the spectrum auction and digital datacasting, but we have—and, Senator Brown, I ask you to consider this—in what I think is a generous and magnanimous gesture, agreed to give up debate on those important issues this afternoon to allow us to deal with the priority legislation that is before the chamber. So that is the issue. No-one is suggesting the matters that you raise are not important; they are important, just like the issues that the opposition wanted to debate are important as well. But our choice, our decision, is a decision now only of what to give priority to. We are saying that we are going to give priority to the legislation program for that package of four bills that is before the chamber and that the Senate must deal with and finalise hopefully today and not in the wee small hours of tomorrow or in an extended Senate sitting tomorrow.

The other point that must be made in relation to any motion such as the one Senator Brown moves is this: we have a very blunt instrument here. All we can do as a Senate under the Senate’s procedures is agree to this motion in its entirety if we do not have debate. We either vote for it or we vote against it. It just so happens on many motions like this one that the opposition, perhaps the government and other senators as well might have different points of view. They might even oppose the spirit of certain motions that come before the chamber and would like to have an opportunity to amend them. There is no choice here. It is a blunt instrument: you either support it in its entirety or you oppose it. That is the choice that the opposition face and that is why our approach will be to not support the suspension of standing orders, and we will oppose the substantive motion.

Question put:
That the motion (Senator Brown’s) be agreed to.

The Senate divided. [9.49 a.m.]
(The President—Senator the Hon. Margaret Reid)

Ayes………….. 11
Noes………….. 42
Majority……… 31

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

NOES
Bishop, T.M. Boswell, R.L.D.
Brandis, G.H. Buckland, G.
Calvert, P.H * Campbell, G.
Campbell, I.G. Carr, K.J.
Chapman, H.G.P. Collins, J.M.A.
Cook, P.F.S. Cooney, B.C.
Crossin, P.M. Crowley, R.A.
Eggleston, A. Ferguson, A.B.
Forshaw, M.G. Gibbs, B.
Herron, J.J. Hogg, J.J.
Hutchins, S.P. Kemp, C.R.
Knowles, S.C. Ludwig, J.W.
Lundy, K.A. Macdonald, J.A.L.
Mason, B.J. McGauran, J.J.J.
McKiernan, J.P. McLucas, J.E.
Murphy, S.M. Newman, J.M.
O’Brien, K.W.K. Patterson, K.C.
Ray, R.F. Reid, M.E.
Schacht, C.C. Tambling, G.E.
Tchen, T. Vanstone, A.E.
Watson, J.O.W. West, S.M.
* denotes teller

Question so resolved in the negative.

TELESTRA: REGIONAL CALL CENTRES

Motion (by Senator Allison)—as amended, by leave—agreed to:

That the Senate—

(a) notes the resolutions agreed by the Horsham Rural City Council, the Southern Grampians Shire Council and the Warrnambool City Council on 19 March 2001:
(i) that Telstra immediately stop offering redundancies in rural Australia,
(ii) that the Government use its majority ownership of Telstra to ensure this happens,

(b) calls on the Government to publicly respond to those resolutions;

(c) notes the proposed closure of Telstra Regional Directory Call Centres in Hamilton, Horsham, Warrnambool, Mount Gambier, Ararat and Swan Hill and calls on Telstra to reconsider the impact of its decisions on regional employment; and

(d) reminds the Government of the importance of local Telstra Call Centres to the economic benefit and prosperity of regional Australia.

NATIONAL RECONCILIATION WEEK

Motion (by Senators Crossin and Ridgeway) agreed to:

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 Uluru, to make decisions affecting access to their land; and

(c) calls on the Federal Government to:
(i) respond to the recommendations of the report of the Legal and Constitutional References Committee, ‘Healing: A legacy of generations’; and
(ii) demonstrate its commitment to the reconciliation process by making an apology to Australia’s Indigenous people and by responding appropriately to the recommendations of the final report of the Council for Aboriginal Reconciliation, tabled in December 2000.
COMMITTEES
Appropriations and Staffing Committee
Report
The PRESIDENT—I present the 35th report of the Standing Committee on Appropriations and Staffing on the estimates for the Department of the Senate 2001-2002.
Ordered that the report be printed.

SAFETY, REHABILITATION AND COMPENSATION AND OTHER LEGISLATION AMENDMENT BILL 2000

First Reading
Bills received from the House of Representatives.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (10.01 a.m.)—I indicate to the Senate that those bills which have just been announced are being introduced together. After debate on the motion for the second reading has been adjourned, I will be moving a motion to have the bills listed separately on the Notice Paper. I move:

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

Question resolved in the affirmative.

Bills read a first time.

Second Reading
Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (10.01 a.m.)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

OCCUPATIONAL HEALTH AND SAFETY (COMMONWEALTH EMPLOYMENT) AMENDMENT BILL 2000

The amendments which I am introducing today in this Bill will bring significant improvements for Commonwealth employees through safer Commonwealth workplaces.

This Bill contains amendments to the Occupational Health and Safety (Commonwealth Employment) Act 1991 (the OH&S Act) which provides a legislative basis for the protection of the health and safety at work of Commonwealth employees in Departments, Statutory Authorities and Government Business Enterprises. It complements the compensation and rehabilitation arrangements established under the Safety, Rehabilitation and Compensation Act 1988.
The OH&S Act requires amendment to modernise and streamline outdated provisions which are currently inhibiting its effectiveness. Consistent with the principles of the Workplace Relations Act 1996, the focus of occupational health and safety regulation has to shift away from imposing solutions towards enabling those in the workplace to work together and make informed decisions about how best to reduce risks to health and safety at their particular workplace. Any additional flexibility in meeting obligations, however, must be backed by a strong and effective enforcement regime.

The amendments in the Bill reflect the Government’s commitment to achieving safer workplaces and take account of advice from the Safety, Rehabilitation and Compensation Commission (comprising representatives of Commonwealth employers and employees and other persons with relevant qualifications and experience) which has recommended changes in some areas.

The key amendments proposed to the OH&S Act by this Bill relate to the employer’s duty of care, workplace arrangements and penalties.

In relation to the employer’s duty of care, amendments are proposed to s.16 of the Act to replace the current prescriptive elements of the section requiring an employer to develop an occupational health and safety policy and agreement in consultation with involved unions. Instead, employers will be required to develop, in consultation with their employees, safety management arrangements that will apply at the workplace. The term “safety management arrangements” is being used to describe collectively a range of matters which could be covered and the specific needs of individual workplaces will therefore be able to be accommodated in a more flexible and efficient way. Employers and employees will be able to make informed decisions about how best to reduce any risks to workplace health and safety at their own workplace. This will ensure that there is a more integrated and focused approach at the workplace level. To assist organisations to develop their safety management arrangements, the Safety, Rehabilitation and Compensation Commission is being given the power to advise on the matters to be included, and employers must have regard to such advice in developing their safety management arrangements.

Safe and healthy workplaces can only be achieved if there is maximum commitment from both employers and employees and each must play an active part in developing appropriate arrangements at the workplace level. Consistent with this, consultation between employers and employees to improve occupational health and safety outcomes is being enhanced by facilitating a more direct relationship between employers and employees and removing the current mandated role of unions.

Employees will have the right to be represented in consultations with their employer by an employee association that has a principal purpose of protecting and promoting the industrial interests of its members in the workplace.

The proposed amendments to the workplace arrangements provisions retain the current features of the Act concerning designated workgroups, health and safety representatives and health and safety committees.

A health and safety representative may be selected for each designated workgroup as is currently the case. However, the current restrictions on the ability of all employees to become health and safety representatives, are being removed.

A health and safety committee will be required to be established where an employer’s workforce comprises not fewer than 50 employees. The current prescriptive requirements concerning the composition and operation of health and safety committees are being removed from the Act and these matters will be dealt with under the safety management arrangements at the workplace.

Improved outcomes can also be achieved by encouraging employers and employees and others with responsibilities under occupational health and safety laws to voluntarily comply with their statutory obligations. Other amendments in this Bill therefore provide greater encouragement for voluntary compliance.

There must however be a strong enforcement regime to ensure compliance with the requirements of the Act. The less prescriptive approach being proposed to the employer’s duty of care is therefore being balanced by very important amendments to the penalties provisions to ensure an effective compliance regime. A wide range of remedies and sanctions is being introduced, along with significant increases in penalty levels.

Currently all offences under the Act are criminal offences. Even though there have been over 28,000 incidents reported under the Act since its commencement in 1992, with 1248 investigations, there have only been 9 prosecutions, of which 8 have been successful. All prosecutions have involved significant delays (up to 4 years in one particular case).
The Bill proposes to amend this enforcement regime to one based on both civil and criminal penalties for contravention of the Act. As far as possible, the Act will provide for civil penalties rather than criminal penalties. This is expected to make proceedings under the Act more readily available and reduce delays.

Criminal penalties will be retained for contraventions of the Act which result in death or serious bodily harm (or if the contravention is intentional or reckless) and for offences which are more appropriately dealt with in the criminal justice system. Courts will also be given the powers to grant injunctions to prevent the occurrence or re-occurrence of a breach of the Act and make remedial orders.

A very important initiative in this Bill is the power being given to Comcare to accept enforceable undertakings from persons considered to have contravened the Act. Enforceable undertakings will be available as an alternative to prosecution and will assist in obtaining voluntary compliance with the Act.

Where a court finds that an employer has breached sections 64 or 76 of the Act, by dismissing, or taking other prejudicial action against, an employee, the court will be able to make orders modelled on s.298U of the Workplace Relations Act 1996, such as requiring reinstatement of the employee or the payment of compensation.

The new range of available remedies will provide maximum flexibility to ensure that effective action can be taken to address breaches or potential breaches of the Act.

Currently, the penalties under the Act apply only to Government Business Enterprises and their employees. The Bill includes an amendment to extend civil and criminal penalties to Commonwealth employees and employees of Commonwealth authorities. This will ensure that a Commonwealth employee will be accountable where he or she has acted wrongfully. Commonwealth officers or employees however will have the protection of the Commonwealth’s policy on indemnification where they have acted reasonably and responsibly in the course of their duties.

Commonwealth employers will, however, be subject to the new provisions providing for injunctions and remedial orders.

Finally and importantly in relation to penalties, the Bill proposes substantial increases to the level of penalties in the Act. Currently the maximum penalty under the Act for a breach of the employer’s duty of care is $100,000. The new maximum penalty will be 2,200 penalty units (currently $495,000) for a breach attracting a criminal penalty and 4,500 penalty units (currently $990,000) for a breach attracting a civil penalty. These amendments will make the level of penalties under the Act more consistent with the levels of penalties in State and Territory occupational health and safety legislation.

The Bill also contains amendments to revise the annual reporting requirements of Commonwealth agencies under the Act so that there will be a greater focus on outcomes rather than process and some minor or technical amendments to improve the current arrangements concerning investigations of alleged contraventions and notices issued by inspectors.

Full details of all amendments are contained in the Explanatory Memorandum for the Bill.

SAFETY, REHABILITATION AND COMPENSATION AND OTHER LEGISLATION AMENDMENT BILL 2000

This Bill mainly proposes amendments to two Acts, the Safety, Rehabilitation and Compensation Act 1988 (the SRC Act), which is the legislative basis for the Commonwealth public sector workers’ compensation scheme, and the Industrial Chemicals (Notification and Assessment) Act 1989 (the ICNA Act) which establishes a scheme to assess industrial chemicals imported and manufactured in Australia for their health and environment effects.

The amendments to the SRC Act proposed in this Bill will improve the operation of the Commonwealth workers’ compensation scheme while at the same time ensuring that the Act reflects the Government’s commitment to balancing the costs of work-related injury with access to fair compensation and effective rehabilitation for injured workers.

The amendments are however largely of a housekeeping nature, reflecting that the Act has not been amended for some time. They include amendments based on advice from the Safety, Rehabilitation and Compensation Commission, and amendments which rectify unintended legislative anomalies. They also include amendments to implement what was Parliament’s original intent as to the effect of the legislation at the time it commenced operation during the previous Labor administration.

The Bill proposes to streamline the Act’s currently complex and prescriptive licensing arrangements, while closely paralleling existing arrangements.

The five categories of licence now available will be replaced with a single generic licence which
will provide scope for both self-insurance and claims management. Applications for licences will still be determined by the Commission but within a less prescriptive framework. Ministerial directions will give guidance by disallowable instruments on such matters as the criteria for granting a licence and licence conditions. The Bill also contains some minor amendments to improve the general operation of the licensing scheme.

Amendments are also proposed to streamline the funding arrangements for the regulation of workers' compensation and occupational health and safety in the Commonwealth jurisdiction by providing for one regulatory contribution.

The Bill also contains amendments to ensure that Comcare's financial arrangements are consistent with the requirements of the Commonwealth Authorities and Companies Act 1997.

The Commonwealth scheme recognises the importance to both the employee and the employer of arranging a safe return to work as quickly as possible, and has processes and incentives in place to achieve this. These include a system of rehabilitation which relies on the services of approved rehabilitation providers.

The Act currently gives Comcare responsibility for ensuring that rehabilitation providers have the qualifications, proven effectiveness, availability and cost efficiencies to deliver quality services to employers and employees.

The approval provisions protect injured employees by ensuring that persons providing treatment and services meet acceptable standards. The Bill proposes to improve the current processes for approving new rehabilitation providers, provide a statutory basis for existing guidelines, enable a fee to be charged to cover the costs of the application process and ensure that the approval can be revoked if a rehabilitation provider is no longer able to meet the standards required.

The Bill also contains amendments to improve some scheme benefits, clarify the circumstances in which compensation is payable under the Act and clarify the appropriate amount of compensation payable.

The improvements to scheme benefits will provide greater access to compensation for employees who suffer a hearing loss, ensure that all employees covered by the Act can receive compensation beyond age 65 if they are injured over the age of 63 years and enable claimants to have the costs of treatment from a wider range of health practitioners than at present reimbursed, without having to seek a referral from a medical practitioner.

Other amendments will standardise the basis by which compensation is calculated for the first 45 weeks of a claim and clarify that dependants of deceased employees have access to common law. The Bill also addresses deficiencies in compensation for former employees by ensuring that compensation payments for former employees are maintained at 70% of indexed normal weekly earnings and that normal weekly earnings of former employees are updated by reference to a prescribed index.

As mentioned previously, the Bill also includes amendments to clarify the circumstances in which compensation is payable under the SRC Act. Amendments are therefore proposed to the definitions of "disease" and "injury" in the Act.

The Act requires a material contribution by employment to a disease before compensation is payable. However, case law indicates that the Act has not achieved Parliament's original intention. The Bill therefore includes an amendment to restore this intention by making it clear that an employee's employment is not to be taken to have contributed in a material degree to his or her disease unless there is a close connection between the employee’s employment and the disease.

In terms of the definition of "injury", the current legislation seeks to prevent compensation claims being used to obstruct legitimate management action and accordingly contains what is known as an exclusionary provision. It provides that compensation is not payable in respect of an injury which arises from reasonable disciplinary action taken against an employee, or a failure by the employee to obtain a promotion, transfer or benefit in connection with employment. This provision needs to be updated to include other activities which are regarded as normal management responsibilities.

The Bill therefore includes an amendment which provides that, in addition to the current exclusions, an employee will also not be entitled to compensation for an injury resulting from a reasonable appraisal of the employee’s performance, any reasonable counselling action (whether formal or informal), any reasonable suspension action, or a failure by the employee to obtain a reclassification in connection with his or her employment.

A further amendment relates to the interaction between "disease" and "injury". The SRC Act sets out separate tests for establishing entitlements to compensation for diseases and injuries. The Bill includes an amendment to ensure that where an injury occurs at work which is the natural progression of a disease, the injury will be
The Bill also proposes an amendment to extend to all claimants the requirement that any earnings by a claimant may be taken into account in the calculation of that claimant's weekly incapacity payments. Another amendment will clarify that there is no automatic entitlement to payment for non-economic loss for employees who suffered a permanent impairment before the SRC Act commenced.

The Bill also contains a number of other amendments to the SRC Act which are mainly of a minor policy or technical nature, including some amendments which address regulatory matters. These include amendments to enable Comcare to collect premiums to cover common law liability for Commonwealth agencies in relation to proceedings which are permitted under the SRC Act and to allow Comcare to manage the defence of such proceedings, a change to the composition of the Safety, Rehabilitation and Compensation Commission to provide for the Australian Capital Territory to be represented (as an employer). There are also a number of amendments to streamline administrative arrangements.

This Bill also amends the Industrial Chemicals (Notification and Assessment) Act 1989. The majority of the amendments are minor or technical in nature, and will streamline and improve the operation of the National Industrial Chemicals Notification and Assessment Scheme.

One amendment will extend the definition of synthetic polymers of low concern to include polyesters of low molecular weight and risk. This will reduce fees for firms applying for assessment of this type of chemical. Other amendments will assist in streamlining the reassessment procedures and reducing the burden on industry. For example, the provision for joint application for reassessment will enable the sharing of fees (where applicable) and the provision of information by several companies.

This Bill also includes minor or technical amendments to four other Acts. The Equal Opportunity for Women in the Workplace Act 1999 is amended to correct a technical anomaly arising from the Equal Opportunity for Women in the Workplace Amendment Act 1999. The Income Tax Assessment Act 1936 is amended to enable taxation information to be provided to Comcare as well as to the Safety, Rehabilitation and Compensation Commission. The National Occupational Health and Safety Commission Act 1985 is amended to reflect the change of name of the Australian Chamber of Commerce and Industry. The Occupational Health and Safety (Commonwealth Employment) Act 1991 is amended, consequential upon the amendments relating to collection of premiums under the Safety, Rehabilitation and Compensation Act 1988 which are proposed elsewhere in the Bill.

Full details of all amendments are contained in the Explanatory Memorandum.

Debate (on motion by Senator Ludwig) adjourned.

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

TAXATION LAWS AMENDMENT (SUPERANNUATION CONTRIBUTIONS) BILL 2000
Consideration of House of Representatives Message
Message received from the House of Representatives returning the Taxation Laws Amendment (Superannuation Contributions) Bill 2000, acquainting the Senate that the House has disagreed to the amendment made by the Senate and desiring the reconsideration of the amendment.

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

COMMITTEES
Membership
The PRESIDENT—Messages have been received from the House of Representatives notifying the Senate of the appointment of Mr Haase to the Joint Standing Committee on Treaties in place of Mrs Elson and the appointment of Mr Baird to the Parliamentary Joint Committee on the National Crime Authority.

COMPLEMENTATION (JAPANESE INTERNMENT) 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
Debate resumed from 23 May, on motion by Senator Heffernan:

That these bills be now read a second time.

Senator SCHACHT (South Australia) (10.03 a.m.)—On behalf of the opposition, I rise to indicate that we will support the Compensation (Japanese Internment) Bill 2001, which the government announced in the budget but which had been strategically leaked by the government some weeks ago. It was leaked because of the political damage that Mr Shane Stone’s memo to the Prime Minister had caused the government. Lo and behold, out of nowhere, a story appears in the press that the government would be including in the budget a proposal to pay compensation to those who had been prisoners of war of the Japanese. In recent months, there had been some publicity and lobbying on behalf of the POW association and others in the veterans community for this compensation in view of the British government’s announcement, within the last 12 months, that they would make a one-off payment.

As I say, the opposition welcomes the government’s decision to pay this compensation and it has agreed to support the bill going through the Senate by the end of today so that the compensation can be paid as soon as possible. I do not know whether there is some difficulty for the government in trying to keep the budget surplus at $1.5 billion for the next financial year and they do not want the $247 million knocked off the $1.5 billion surplus as that might stretch their economic credentials, because they predicted two or three years ago that this budget would have a surplus of about $14 billion. That was the figure predicted for the out years in the budget papers two or three years ago. Of course, that shows that the government have gone berserk in the last couple of years, busting their own economic credentials by spending money in every direction when the Prime Minister has run into political problems. It shows that their claim to be economic managers is now extremely threadbare as they have turned a proposed budget surplus, as estimated three years ago, of nearly $14 billion, into $1.5 billion. I certainly want to get an explanation from the government of why the money has to be paid out this financial year rather than next year.

I note that the payment is to be made to all POWs of the Japanese who were alive at 1 January or their war widows or spouses who were alive at that time, and, if any of them has died between then and now, the money will be paid into their estate. I also see that the same provision is provided to the so-called internees—civilians who were interned and received the same terrible treatment as our POWs. We have no objection, of course, to the cut-off date, and we have no objection to POWs’ war widows being eligible for the full payment. I had a query on this issue in my office this morning. I presume that the payment is made to the last war widow who is still alive. If a POW who had been married for many years divorced his wife and subsequently remarried, even for only six months last year, I presume that it is the last widow still standing—to use that phrase—who gets the payment.
I can imagine that there will be some complaint in the veterans community and amongst war widows. Some may have spent most of their adult life as the spouse of a POW and provided the care that went with that since 1945. It is now 55 years ago, so let us say they provided care for 40-odd years. After the marriage failed, the POW married somebody else, perhaps only six or eight months ago, and that person will get the full benefit. I am not sure that I have an answer to that, but I can imagine that there will be some angst amongst widows who spent most of their life with a POW and often had to be the informal, unpaid carer of a POW, but will get none of the benefit. That is unfortunate and I admit that I do not have a solution, but I am sure that the minister will informally and formally receive comments about such an outcome.

I also note that the bill does not amend the Veterans’ Entitlements Act—it is a special bill. I can understand that, because it pays benefits to non-veterans—that is, civilian detainees. I make the point to the minister and to the department that they have established the payment of a special benefit, although it is not under the Veterans’ Entitlements Act, to civilian people who certainly deserve it. I therefore see no reason why a policy decision cannot be reached that the 400-odd Vietnam civilian doctors and nurses should also receive special benefits, as we proposed earlier this year in an amendment to the Veterans’ Entitlements Act or, if it has to be done, by a special act of parliament. I appreciate that very much; they are trying to be helpful, but I want that answer on the record.

Are civilian detainees who were British citizens or other citizens and who subsequently came to Australia and took out Australian citizenship some time after the Second World War eligible for this payment to civilian detainees? Again, because this benefit is now available, many people in that grey area will ask why they have missed out. They have been citizens of Australia for a long time, or their spouses were Australian citizens, and they will miss out although they in no way suffered less pain than the Australians suffered and they were in an Australian colony at the time.

The next issue, which comes to light as a result of the bill’s being rapidly introduced into parliament, has not been properly explained or investigated. Of course, this bill will be passed by the parliament before the Senate estimates committee considers the Department of Veterans’ Affairs budget, which is less than two weeks away. It is an unfortunate arrangement whereby the bill will be passed before the estimates committee of the Senate has a chance to examine the measure. This precedent should not be entered into by governments in a capricious way—it undermines the standing of the Senate estimates committee process, which is an excellent process, whether you are in gov-
ernment or in opposition. The estimates committee process has enhanced the status of the Senate and it probably gives more value to the role of the Senate than any other part of our activities. But the bill will go through, and even if we ask relevant questions and information comes out during the estimates hearings—which, as we know, go on for several days—it will be too late to amend it.

This is an unfortunate precedent and process because if we discover, through the Senate estimates, anomalies and weaknesses in this legislation that, because it is being rammed through the parliament at the request of the government today, we have not had a chance to find then it will be a deficiency in the parliamentary system for which the government has to take full responsibility. Nevertheless, we support the bill. But maybe at the committee stage some of these matters that I am now raising could be answered for me.

An issue in this bill that I note is that the payment is not exempt from the deeming provisions. This means, if I understand it correctly, that if somebody has already got an investment of $20,000 or $30,000 and gets the $25,000 payment and does not spend it—puts it into an investment—they therefore would have a deeming rate of around five per cent. That five per cent on $25,000 by my very rough mathematics—and I stand to be corrected—is an income of about $1,200 per annum. That will therefore be assessed as income if they have other benefits coming from elsewhere within the social security system. Therefore, that could reduce their other social security benefits.

I am not sure that that is a correct procedure because this is not a benefit: this is a compensation payment. Why is a compensation payment being hit by the deeming provisions? If the beneficiary of this payment takes the $25,000 and spends it on a trip overseas or blows it at the casino, the deeming will not apply because they have spent it—they have blown it. But why shouldn’t we be encouraging veterans to invest it and use the income from it to guarantee their lifestyle and to improve their living standard while they or their widow are still alive? I think putting the deeming regime on this payment is an anomaly. I would like the minister to explain because the second reading speech of this bill, made and tabled by the minister in the parliament late yesterday, was deficient in so many ways in explaining these matters. That is a problem of rushed legislation—but we will come back to that later.

The final issue I want to raise in the time I have left is the issue of those who have missed out on the payment. Already, since the speculation occurred three or four weeks ago that it was to be paid to the POWs of the Japanese, many veterans who were POWs in the European theatre of war have been complaining. On Tuesday night, I returned from attending the 60th anniversary of the battles of Greece and Crete as part of the official delegation. There were a number of veterans there and seven of them from my count in the official book produced by Veterans’ Affairs ended up being prisoners of war when captured in Greece or in Crete.

When you read their descriptions in the official book produced by Veterans’ Affairs, you cannot say that these people had an easy time. I will quote one man in particular but draw everybody’s attention to this document and the names of the veterans who were prisoners of war. They were Thomas Anderson, Francis Atkins, Terry Fairbairn, Charles Frampton, Arthur Leggett, Charles Parrot and Ian Rutter.

Let me read the description of what happened to Charles Parrot. When I first met him on the delegation in the Commonwealth War Graves Cemetery at Athens, I was walking down the row of tombstones of the Australians who lost their lives. Charlie was standing next to a tombstone and I said, ‘Did you know this man?’ He said, ‘Yes, I did, Senator. He, a friend of mine, died of starvation in the Salonika prisoner of war camp in December 41. This is the first time in 60 years I have been able to stand here and put a red poppy on his tombstone.’

Charlie Parrot did not die of starvation. This is what his own words are in the document produced by Veterans Affairs’, and I would have to say that if this is not a case for him individually to be given similar treatment I do not know what is! He said, ‘De-
spite hiding out in the hills, we were eventually captured and taken by cargo boat to Greece. Life in a POW camp in Salonika was terrible. The food was atrocious and many POWs died, mostly from starvation.'

The prisoners were moved to a POW camp in Germany, where they were put to work building a canal. They again moved, to Stalag 8B at Landsdorf, and were sent to work in a coal mine. After a long period of illness, including gangrene in his leg, Charlie was forced to take part in a 780-kilometre march ahead of the Russian troops, but at the end of the first day he hid in a cellar. When the Russians arrived, they were no better than the Germans. They left him in the snow until he was saved by two Poles, who took him to a nearby convent. He received treatment for several weeks and was eventually able to walk again on crutches. Charlie was then imprisoned by the Russians before being put on a British ship back to Britain.

By the way, he told me personally that he spent 17 days in an open cattle train going from Poland to Odessa in the Crimea before he was shipped back. He spent a year working in an underground Polish coal mine. He still has injuries in his hands from the work in the coal mine. Can you say that this man is not as deserving? I do not think you can.

I will turn to another story in this book produced by Veterans' Affairs. This is by Terry Fairbairn, who had similar treatment. The Germans, because they thought he might have been connected to Ireland, offered to put him into a special unit made up of Irish people who might oppose the British Empire, to go and fight for the Germans. He refused. When Terry refused to betray his country, he was singled out for special treatment and spent the next nine months in handcuffs. He was put in handcuffs for nine months. What sort of treatment is that? That is terrible.

After Terry was sent to the POW camp at Rotenburg in January 1945, the prisoners were marched out, first south and then westwards of the advancing Russians. He was forced into a march of several hundred kilometres by the German authorities. I draw the attention of the department to their own book. Look up the seven people here, representative of the 15,000-plus Australian prisoners of war in Europe. Look at the prisoners who were captured in either North Africa, Greece or Crete and look at the POWs who were shot down from Bomber Command and put into prisoner of war camps. (Time expired)

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (10.23 a.m.)—Senator Schacht addressed that part of the cognate debate relating to the Compensation (Japanese Internment) Bill 2001. I intend to direct my remarks in the cognate debate to the Taxation Laws Amendment (Changes for Senior Australians) Bill 2001. My colleague Senator Chris Evans, in his contribution to the cognate debate, will later this morning address the community service bills—the Family and Community Services Legislation Amendment (One-off Payment to the Aged) Bill 2001 and the Family and Community Services and Veterans’ Affairs Legislation Amendment (Further Assistance for Older Australians) Bill 2001.

In the budget on Tuesday night the government put to the people and to this parliament that it wanted this legislation immediately. That is why we are debating these measures today so soon after the budget was brought down. It is true that that is unusual, but the Labor opposition believes that we should speed the passage of this legislation to make sure that the benefits contained in it are delivered on time—albeit we reserve our view that in many respects the benefits are inadequate to the needs of Australians. But that reservation does not mean to say that they should not get what is available as quickly as possible.

I will now turn to the Taxation Laws Amendment (Changes for Senior Australians) Bill 2001. This bill attempts to do a number of things to give effect to the government’s desire to appeal to those so badly hurt by the GST; that is, our older Australians—or, in the rubric that is now used, ‘seniors’. Firstly, the bill amends the Income Tax Assessment Act 1936 to enable an increase in the tax rebate available to senior Australians, an increase that will be realised through regulation. Secondly, the bill 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 pay the Medicare levy if their taxable income is less than $20,000. The bill also seeks to ensure that those Australians under the pension age who receive a taxable Commonwealth pension will not have to pay the Medicare levy if their income is below $15,970. Thirdly, the bill amends the Income Tax Assessment Act to exempt from tax the one-off $300 payment to the aged. That is the purpose of the legislation before us.

These measures are intended to take effect from 1 July 2000, which I consider to be a clear sign that the government acknowledges that it got it wrong when it decided to impose on Australians a GST without adequate compensation. It is clear that the government is now trying to atone for its unwillingness to foresee the pain that it has caused. Let us make no mistake here: this bill is part of the government’s compensation drive, despite its unwillingness to admit it. The government broke its promise that no-one would be worse off as a consequence of the GST. As we are clearly seeing, so many Australians are worse off. The notorious—or, as some would have it, infamous—undertaking by the Prime Minister that no-one would be worse off as a consequence of the GST is palpably and demonstrably wrong. Although in our view these compensation measures do not go far enough, they at least go some way to addressing and correcting that misleading promise.

The one-off $300 grant to pensioners is clearly part of the government’s desperate attempt to win back some of those who have realised the government has failed them—one might say it has a political purpose. It was interesting to note that Peter Costello must know just how inadequate the $300 payment is, because, in spite of his best efforts to make it seem generous, he could not help but refer to it repeatedly in his National Press Club address yesterday incorrectly as being a per annum payment. It is not; it is a one-off payment. It is a one-off payment, a cash handout, to help compensate for the GST, but the GST of course goes on forever.

It should be noted that hundreds of thousands of pensioners reasonably believed that they would be entitled to the $1,000 aged persons savings bonus under the GST compensation package. However, they found that when they applied for the bonus they did not meet the strict requirements imposed by the government. They want to know where the other $700 is! The $1,000 bonus payment offered by the government had devil in the detail. When those who believed they were entitled looked at the detail, the government was able to say that they were not entitled.

The government has sought throughout its budget documents, its speeches and this bill to draw distinctions amongst those aged 55 plus by the use of a number of terms: ‘aged person’, ‘senior Australian’, ‘older Australian’, ‘age pensioner’, ‘pensioner’ and ‘self-funded retiree’—a plethora of terms, some of which are indistinctly defined and lack particular, pointed meaning. These distinctions are used, however, to ensure that not all those who might have reasonably expected to finally be compensated for some of the hurt this government has imposed upon them in the form of the GST will miss out yet again.

One of the most tricky things about this bill is that, when the government put forward its compensation package as part of its GST legislation, it was happy to consider that a self-funded retiree was someone who, in short, was aged 55 years or more, had not received certain pensions or benefits for the three months leading up to the introduction of the GST and had limited business and wages income. Now we find that it suits the government and in particular the Treasurer, Mr Costello, to redefine what a self-funded retiree is so that the government will escape having to redress the damage done to all older Australians.

Pensioners will want to know when the two per cent pension clawback will be given back. The pension clawback is short-changing single pensioners by $7.90 and couples by $13.20 every fortnight. Also, many retirees will soon be wanting to know when the government will deliver on its promised $450 tax rebate on savings. It was half-heartedly introduced only to be later abolished. The extension in the concessions
contained within this bill puts back just a fraction of the $750 million in cuts that the government inflicted in 1996, when it axed free dental treatment, cut back on free hearing aids and jacked up the cost of medicines bought on cards. Pensioners will also know that, whatever John Howard gives he will find a way to claw it back again. This is a ‘give with one hand and take with the other’ budget. The government has devalued our elderly. Now it is trying to buy them off at a discounted price.

Labor will not be opposing this bill. Labor remains committed to the task of rolling back the GST. However, we recognise that there are so many Australians hurting because of the unfair burden placed upon them by the GST that they should rightly receive immediate relief, before we get the opportunity in government to make it fairer and to make it simpler.

Senator Ludwig (Queensland) (10.32 a.m.)—I listened carefully to the comments made by Senator Schacht in relation to the Compensation (Japanese Internment) Bill 2001. The issues he raised about European internment are issues on which I similarly await advice from the department. He raised some unusual instances and, on that basis, it would be extremely unfortunate if those people were not considered under the legislation. However, I do understand that the government has a view to ensuring that former POWs and widows of POWs are dealt with in a kind manner. The government’s approach to this can only be measured by its response to some of the questions that Senator Schacht raised, such as the instance of the British POW and whether he would also be entitled to the payment.

Turning now to the Family and Community Services Legislation Amendment (One-off Payment to the Aged) Bill 2001, the opposition will support this bill; we believe that it is of benefit to pensioners. The government has provided for a one-off $300 payment to pensioners in its budget, and that payment will certainly go some way to addressing their concerns. The one-off payment creates an interesting position for them. One wonders, though, how they would have felt had they received the $1,000 which I understood the government to have originally promised them. Maybe the government could have considered longer term strategies that may have been able to assist pensioners with their difficulties in coming to grips with the GST. Of course, that is a matter that we will not know about because, as we are fully cognisant, the government has pointed to the fine print in relation to that one-off payment to pensioners.

The opposition would not, of course, oppose the one-off payment of $300 to pensioners. I am sure pensioners will be very pleased to receive such a payment, but one has to consider that it is not an ongoing measure. It is not a measure that provides some relief for pensioners over the longer period because, as we know, the GST is here to stay. Every year pensioners will have to confront the GST in their cost structures, and one hopes that the $300 will help them. I notice that the member for Lilley has taken the view that older Australians have been short-changed as a consequence of this one-off payment.

Some might say that, for pensioners, the GST is a life sentence. Hundreds of thousands of pensioners, as I said, were promised a payment of $1,000. But, in some instances, they will be short-changed by $700 and will receive only $300. Let us look at the two per cent pension increase that this government clawed back. The pension clawback short-changed pensioners by an amount of $7.90 per fortnight for singles and $13.20 per fortnight for couples. The issue for self-funded retirees is not currently before the Senate, but it goes to the same general area and will provide problems for pensioners in the longer run.

In conclusion, while Labor support the package of four bills, we note that the government has brought them before the Senate in a very short space of time and has sought an immediate response to the bills. We have been forthcoming. However, in the light of day better scrutiny might have provided a more considered response.

Senator Chris Evans (Western Australia) (10.39 a.m.)—I rise to speak on the Compensation (Japanese Internment) Bill 2001 and related bills and indicate again that
the Labor opposition will be supporting the bills. I will address a few remarks to those measures directed at pensioners and self-funded retirees, as they fall within my shadow ministerial responsibilities. In moving around the country since the introduction of the GST, one of the first issues of concern to be raised with me at all the meetings and in all the contacts I have had with elderly Australians has been about the impact of the GST and the inadequacy of their compensation. The GST has really hit them hard, hit them often and hit them in ways they had not expected. Despite all the discussion about the GST before it was introduced, people did not realise the enormity of its reach and the regularity with which it would be applied to everything they consumed or paid for.

People on fixed incomes have suffered the most. These people did not benefit largely from the tax cuts and their compensation was limited to the very meagre measures provided by the government. Those on fixed incomes—age pensions, disability pensions, unemployment benefits and self-funded retirees on fixed incomes—found it most hard to cope with the impact of the GST. They have found it really difficult when their house insurance, electricity bills and those sorts of bills have arrived with an added 10 per cent on everything. It has been foremost in their minds that they have really suffered under the GST and that they did not receive any of the offsetting benefits, such as huge tax cuts, in the tax package as did middle-income earners or two-income families. They have really felt the pressure. It has been recognised in community debates and in published polling that people on fixed incomes have suffered. It has affected their view of the government, their view of the GST and the tax package in general.

This measure by the government is obviously an attempt to deal with the politics of that situation and in some way to provide more compensation. Although the government does not say that this is GST compensation, everybody else in Australia—apart from government spokespeople—acknowledges that it is GST compensation, which has had to be legislated because of the impact of the GST on the lives of those on fixed incomes and pensions and because of the resultant political heat the government has felt from those groups in society. No doubt the Prime Minister and other ministers have had the same feedback I have had when they have spoken to elderly Australians.

Elderly Australians are particularly annoyed because the $1,000 pensioner bonus that was promised by the Prime Minister during and after the campaign did not materialise for many of them. Many of them have said to me, ‘I thought I was going to get $1,000.’ Some got cheques for $1, which they sent back in disgust. Others got a couple of hundred dollars. I visited nursing homes where there was a great deal of disquiet as people received varying amounts in cheques forwarded to the nursing home where they reside. There were arguments and concerns about the differing amounts paid to people and about the failure to meet expectations when people had budgeted for $1,000. There was a great deal of upset and anger that it had not been delivered.

As we now know, 40 per cent of those aged over 60 got nothing, and most of them expected the $1,000 bonus. The government has gone some way to try to recover its ground with this $300 payment to pensioners. Labor support that measure because it is in part recognition of the impact of the GST on pensioners and recognition that their compensation package was inadequate. But, when asked to comment on the budget in the last day or so, many pensioners have said that they want to know where the other $700 is, and others have wanted to know why it was suddenly $300.

It is interesting to try to understand how the government arrived at the amount of $300 and how a one-off payment of $300 somehow compensates people for the GST. I think the point Senator Ludwig made is the key point, and it is the point pensioners have been making to me in the last couple of days about the budget—the GST goes on forever but the compensation is a one-off payment. I think that is why many of them are not quite as grateful as the government might have expected. They wanted an adequate compensation package that dealt with the ongoing impact of the GST; instead they will get a
an on-off payment of $300 to try to bribe them
to change their view about the adequacy of
the compensation. Pensioners know that the
compensation is inadequate. While the $300
will be a help, it will not solve the basic in-
equality of the GST and its impact on those on
low and fixed incomes. I do not think it will
change their minds about the efficacy or the
fairness of the GST.

One of the issues I want to particularly
mention in my remarks today is the concern I
have about the lack of social equity in the
treatment of those on age pensions and those
on disability pensions. I think there has been
quite a deal of reaction in the community
about this package and about what it means
for people on DSP. I think there has been
some concern more generally from people
who have had the package oversold to them.
When they ring the hotline and get more in-
formation, they realise they are not going to
be beneficiaries of some of the largesse that
the package seemed to indicate. I know there
was an argument in the other place about a
footnote. I do not want to go into that. The
reality is that a lot of people had the impres-
sion that they were going to get some tax
reductions and some benefits that it appears
they will not now get.

The most important point I want to make
is about people on disability support pen-
sions. I think for them the argument about
GST compensation is the same or stronger
than for those on age pensions. These are
people trying to support themselves on a low
fixed income who suffer from often quite
serious disabilities. They have the same
problems that pensioners do in surviving in
the face of the GST with the increase in their
living costs and the impact of the GST on all
the goods and services they purchase. But
people with a disability are larger purchasers
of services. There have been a number of
research projects undertaken which prove
that the impact of the GST has fallen harder
and has disproportionately affected people
on disability support pensions because the
costs of disability have risen as part of the
impact of the GST.

Despite the government’s attempts to ex-
clude a number of areas such as health costs
from the impact of the GST, people on dis-
ability support pensions know that they are
paying GST on aids and services to assist
them to get through life, to try to live as
normal a life as possible every day. For in-
stance, one of the issues that is raised with
me now is things like batteries for battery
operated wheelchairs. People are paying
enormous GST costs on replacements for
those sorts of things. These are absolutely
essential to their daily life, their mobility and
their ability to participate in society, yet these
are additional costs that the GST has im-
posed on them. It is those people who are
really feeling—like the age pensioners—the
full impact of the GST. It is seriously affect-
ing their standard of living and their ability
to participate in society.

They do not exist in the largesse that
the government saw fit to bring about in the
budget. The Treasurer said, ‘This is not GST
compensation.’ He said that this is about al-
lowing those people on pensions who have
been doing it tough to share in the economic
good times and benefits of what he claimed
was good economic management. But he has
said to the disability pensioners, ‘You do not
get to share. You are not deserving; you are
the undeserving.’ The age pensioners are the
deserving poor; the disability pensioners are
the undeserving poor. What is the rationale
for this? What is the social equity at the basis
of this? There has been no explanation given.

Those people on DSP—many of whom have
contacted my office and other parliamentari-
ans’ offices in the last couple of days—are
very upset about the fact that not only they
were not able to access the payment but also
it reflects the attitude the government has to
them and to their needs and circumstances
that have arisen as a result of the GST. That
is a very important issue that I wanted to
highlight today—the impact on those on
DSP and also on carers.

Carers are another group who are ex-
cluded by virtue of this government decision.
They cannot understand why their worth was
not recognised, why the disadvantage they
have suffered as result of the GST was not
acknowledged, and why they have not shared
in the economic largesse that the Treasurer
sought to bestow on age pensioners. None of
this is an argument against age pensioners
receiving the bonus, because it seems to me the case is very strongly established that the GST compensation was inadequate. We have their disquiet and anger about the failure to deliver the $1,000 bonus and then we have their anger at the clawback of the two per cent of the pension increase which occurred in the last adjustment. Those two events were signals to aged persons in Australia that the government was not interested in them and was not concerned about their welfare but was being, in Mr Stone’s words ‘mean and tricky’ in its attitude.

I think this is an attempt to recover some of that political ground. The key point to make, while supporting the bonus, is that it does not structurally affect the impact being imposed on pensioners and those on fixed and low incomes as a result of the GST. While the $300 will help in a one-off instance, the fact is that the GST will go on forever. The inadequacy of their compensation is now structurally entrenched, and their disadvantage will continue to be felt unless more fundamental changes are made.

I do not want to talk too much about some of the other measures. I know we have given a commitment to pass this legislation today, even though we have had very little time to look at it. I think some of the details are only now coming to light, but we have given an undertaking to ensure the passage of the legislation and to ensure that pensioners have the opportunity to access the payment as soon as possible. We will certainly be honouring that.

I note what Senator Schacht and Senator Ludwig said about POWs. I went home last night and watched the Australians at War series on ABC television—an example of good local production, Senator Alston. It is an excellent program. The focus last night was on the Second World War and the experiences of Australian servicemen in the Pacific region and of those held captive as POWs by the Japanese. It certainly brought home again—if one needed to be reminded—the horror of their experience and the terrible conditions under which they lived. I have a friend who was a POW in Changi who unfortunately died a couple of years ago. The impact it made on those men’s lives is incalculable. Certainly any measure by the Australian community to recognise their suffering and their service is welcome.

I want to reiterate that in supporting this measure we have some concerns about those who have been excluded from the benefits of additional GST compensation. Those who are equally deserving of assistance, such as disability support pensioners and carers, have missed out. I express some concern about some of the misinformation on who will get access to health care cards and tax rebates and the implication that somehow some of the people who are retirees but who are not yet 65 would benefit from these measures. Apparently they will not. Already I think there is some anger in the community about how some of those people have been treated, because the initial sell indicated that those people would receive the benefits, and now they are finding out that they will not. There are a whole range of issues like that. But, as I said, the Labor opposition announced very early on that we would support the measures in order to provide as much relief as possible, as early as possible, to those suffering as a result of inadequate compensation for the GST.

In that light, I want to indicate that there is a foreshadowed second reading amendment from Senator Bartlett, which I gather he will be moving shortly. I agree with every word—but I will not be voting for it, despite expressing some of the sentiments that I have expressed in my remarks today. I agree with most of the sentiments in it, but the reality of the politics of the time is that we have agreed to pass these bills today in order for them to be enacted and the payments made. As a result of that, we have agreed not to move amendments or to use any procedural devices such as committee inquiries or other such things to delay passage. The support of a second reading amendment would only do that and would necessitate them going back to the House of Representatives et cetera. I think second reading amendments are a device that is sometimes overused to make a political point. I accept it is a useful vehicle for Senator Bartlett and the Democrats to express their concerns on these bills—most
of which I agree with—but the Labor opposition have given their commitment to the government and to the Australian public to ensure these bills are passed today and we will not be supporting that second reading amendment. As I say, it is not a philosophical thing but a practical decision about ensuring quick passage. With those remarks, I thank the Senate for its indulgence and reiterate that the opposition will be ensuring passage of the bills today.

Senator BARTLETT (Queensland) (10.55 a.m.)—I speak on behalf of the Australian Democrats to the Compensation (Japanese Internment) Bill 2001, the Family and Community Services Legislation Amendment (One-off Payment to the Aged) Bill 2001, the Family and Community Services and Veterans’ Affairs Legislation Amendment (Further Assistance for Older Australians) Bill 2001, and the Taxation Laws Amendment (Changes for Senior Australians) Bill 2001. It should be noted that the Senate is being extremely cooperative in enabling the very prompt passage of these bills because we support the measures contained in them. However, I think it is an action that is occurring only because of the insistence of the government. It should be noted that cooperation is being provided, and the government should remember that for any other times when it likes to try to generate some myth about Senate obstruction. I think the Senate is being exceptionally cooperative. It is also worth noting, particularly with measures of this size, that rushing things through is not necessarily wise public policy when you are dealing with payments through the social security system to large numbers of people. There is always a risk if things are rushed through of glitches being contained therein. Certainly any support the Democrats give to these bills is conditional on the recognition that glitches that may be contained in the bills are solely the fault of the government because of their insistence on rushing these measures through.

The four bills deal with a range of measures that were only announced a couple of nights ago in the government’s budget. Whilst they are positive measures, I think the message underpinning them is an attempt to repair some of the damage that the government have caused through a range of their policies over the less than six years that they have been in government. I will speak specifically to a few of the measures in the bills. Firstly, the one-off payment to the aged is to be made to those people who, as of last Tuesday, have reached age pension age and are receiving a social security pension or benefit or service pension and also to those older Australians who are self-funded retirees outside the tax or social security system. The intent is for it to be paid by 30 June this year. The enormity of the administrative task for Centrelink within such a short time frame constitutes an admirable goal and one which the Democrats certainly hope will be efficiently carried out by Centrelink.

As an example of the potential problems that can arise, the Democrats have only recently learned that up to a six-month delay is being experienced by Centrelink in transferring people from the disability support pension to the age pension once they reach age pension age. We understand from constituents that what used to be a standard procedure has, in recent times, in some cases taken several months. We certainly hope that nobody gets caught in a no-man’s land in the situation where they are of age pension age but the Centrelink record has not been updated accurately to record this fact. We hope they will not be disadvantaged by any delays or be unable to receive that bonus. I am sure that all efforts will be taken to ensure that nobody misses out. Again, it simply shows the sorts of glitches that can arise. I am certainly not in any way wanting to criticise Centrelink staff. They are dedicated and do a huge job in an environment that is significantly underresourced. A component in the budget providing more staff in that area is a recognition that Centrelink have been underresourced in the staffing area. They will be making nearly two million payments available in less than six weeks. We must ensure that we are not at the risk of the sorts of inaccuracies that were identified in the recent Australian National Audit Office performance audit of Centrelink’s assessment of age pensions, which noted error rates of 13.5 per cent. It would be a pity to impose any level of inaccuracy at all, let alone levels of inac-
accuracy of that size on payments to nearly two million Australians.

The Democrats do not oppose the $300 payment, but it must be pointed out that this payment of $600 million in one month is only marginally less—about $170 million less—than the entire net four-year budget funding allocated to the whole welfare reform program. The mockery that welfare reform was to be the centrepiece of the budget is further enhanced by the fact that, whilst more than $600 million is being paid to older Australians in one month, only $76 million is being spent over the next 12 months on all of the welfare reform measures. The one-off payment, whilst not undeserved by older Australians, totally disregards the needs and financial difficulties of all other Australian income support recipients, including the unemployed, sole parents, the disabled and students, many of whom are obliged to survive on income support levels that are lower than the age pension. We certainly do not begrudge the payment, but it needs to be pointed out that the fact the payment is being made is a recognition that many older Australians have been struggling with extra hardship in recent times due to a range of things. Not surprisingly, the opposition is focusing on the GST but, as I indicated in my second reading amendment, there have been a range of government cutbacks, increases in petrol prices, user-pays charges, deregulations and privatisations, all of which have had impacts on age pensioners as well as others.

The key point is that these are having impacts not just on older Australians but also on people throughout the community. I think disability support pensioners and age pensioners are experiencing equal difficulties and hardships. There is no extra assistance for disability support pensioners either through this payment or through other measures in the budget, and there has been a lack of acknowledgment on the part of the government of the extra hardship that that part of the community also feels at the moment. This can only strengthen people’s cynicism that this measure is for electoral purposes and is not a serious policy attempt to address the areas of greatest social need. Disability pensioners have no extra income and they do not have any extra assistance in this budget, but they often have extra costs as a consequence of their disability. This again highlights the things that were not in the budget. Aspects of the McClure welfare reform review were not picked up by the government. The review recommended providing extra specific assistance for disabled people in recognition of some of the extra costs that the disabilities can impose upon them.

The Democrats appreciate and acknowledge the contribution older Australians have made and continue to make to society. Indeed, through their efforts many are able to fund their own retirement, albeit at a low or modest level, and it is this group which receives the benefit of the one-off payment of $300. The government is ignoring the reality that disability support pensioners suffer from the impact of government policies and GST price rises in the same way as pensioners and that, because of their disability, they are less able to participate economically in many cases. The financial disadvantage of a 65-year-old Australian should not be worth more in compensation than that of a 55-year-old disabled person, particularly one who will not have access to superannuation because they have not been able to compete in the employment market.

I have circulated a second reading amendment on behalf of the Democrats, which I am disappointed to hear that the ALP will not support. I do not understand the procedural argument there. I did not see why moving this amendment should delay passage of this bill one way or the other. It should not hold it up at all. All it will do is more firmly express the Senate’s view that the needs and financial difficulties of other income support recipients are being ignored by this government and have been ignored in the overall budget. I will press this amendment. I move the second reading amendment on behalf of the Democrats:

At the end of the motion, add:

“...But the Senate is of the view that the making of the one-off payment only to Australians of age pension age:

(a) disregards the needs and financial difficulties of all other Australian..."
income support recipients including unemployed, sole parents, the disabled and students, many of whom are obliged to survive on income support levels less than the age pension;

(b) ignores disability support pensioners in particular, who suffer the same impact of GST increases and market force price increases, for which the GST compensation was inadequate, and who, because of their disability, are unable to participate economically; and

(c) further disregards the disadvantage suffered by older unemployed Australians on income support, who have not reached age pension age but who have needs and financial difficulties identical to Australians of age pension age”.

I will now turn to some of the other legislation. The Family and Community Services and Veterans’ Affairs Legislation Amendment (Further Assistance for Older Australians) Bill 2001 has three principal elements: exempting superannuation as an assessable asset from the social security means test for people aged between 55 and the age pension age, extending payment of the telephone allowance and increasing the income limits for qualification for the seniors’ health card.

That is another area where the government is painting something as a major initiative, a significant reform and a great commitment, but it is simply repairing the damage that it has caused in the past.

The measure to treat superannuation as an asset for unemployed Australians when they reach the age of 55 was introduced by the government in their first budget. The outcome since that time, since 1997, has been that, for many unemployed persons 55 and over, dependence on government and income support was possible for only 39 weeks, notwithstanding that their average duration of unemployment is around 104 weeks. Thereafter, any superannuation or rollover assets they had put aside for their retirement were taken to be assessable assets, and this frequently resulted in the cancellation of entitlement to an allowance. It had the further effect of forcing a person in receipt of Newstart or any other income support payment to approach their superannuation fund for the release of an income stream for current living costs, even though they wished to continue to work. They were not able to make further contributions to the fund if they subsequently found a job. So it was simply not consistent with the policy objective of maximising financial independence. Superannuation has been promoted as the 21st century savings vehicle for retirement, and the opportunity of adding any more savings to a superannuation fund was relinquished once and for all once the superannuation fund was opened to provide an income stream.

Given the relatively tight level of the assets test, many individuals have been financially very disadvantaged by the assessment of their superannuation. This cut across the advantages that could be gained by maintaining and adding to their savings in the super fund until retirement. It has been a poor retirement income policy. It has had bad effects. The Democrats are pleased that the government has reversed it, but again it is simply to repair the damage that previous policies have caused, as is the $300 payment, which is an attempt to try to alleviate some of the hardship already caused by this government and its policies. Just putting back what you have taken out can hardly be seen as a great leap forward. Nonetheless, we obviously support the reversal of negative policy decisions and will support this measure.

It is worth noting, similarly, that the largest single expenditure item in the so-called welfare reform package—the introduction of a working credits scheme—is a version of the earnings credit scheme that was previously in place but was removed by the government. Again, this simple action of repairing damage is being portrayed as a significant reworking and reform of a welfare system that does need significant improvement. Without doubt, there is a growing degree of hardship within the Australian community for a variety of reasons, many to do with the economic policy directions set by both the major parties in this place. We do need a fundamental shift. The budget has failed to deliver that, both in direct fiscal policy and in the broader policy framework.
The government supports measures to do with telephone allowance and measures which increase the income limits under which a person can qualify for the seniors health card. This will provide self-funded retirees on modest incomes with the opportunity to access a seniors health card. The Democrats note that it is a great pity that similar attention was not paid by the government in the budget to other disadvantaged Australians who, through no fault of their own, are particularly vulnerable to long-term unemployment or who, because of disability or significant social disadvantage, will be denied the ability to contribute to superannuation to attain low, let alone modest, levels of income in their lifetimes. The unacceptable admission and acknowledgment by the government that it is prepared to settle for an increase in unemployment must be pointed out and condemned repeatedly.

I would also like to speak on the Compensation (Japanese Internment) Bill 2001. Because we are debating all these bills together to enable them to be rushed through, I am not speaking as extensively as I would like on this particular bill. As the veterans spokesperson for the Democrats, I think it is important to acknowledge the value of this measure. It is a once only payment of $25,000 to various veterans and to widows or widowers of veterans, prisoners of war and civilians who were interned by Japan between December 1941 and October 1945.

It is appropriate to take the opportunity to acknowledge the more than 22,000 Australian men and women who were taken prisoner by the Japanese, some for up to 3½ years. These service personnel and civilians suffered in the most horrific conditions imaginable—indeed, probably conditions that are unimaginable to most of us. They endured starvation and extremely 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, during which more than 2,000 Australian and Allied prisoners of war died. The names of these areas—Changi and Burma—are synonymous with the horrors visited upon Australian prisoners by the Japanese during World War II. By the war’s end, more than 8,000 Australian POWs, 36 per cent of those taken prisoner, had died. Of those that came home, today they are all over 80 years old, and only a little over 2,000 remain. They are currently dying at a rate of about 10 a week.

This measure is worth noting in terms of the value of perseverance for people. We are dealing with an issue which is close to 50 years old and which calls for special compensation and extra assistance for Japanese POWs, who have been around for a significant time. Many people over many years have been frustrated by the lack of action such as this by governments of both major parties, but perseverance has paid off in this case. The government is to be commended for this measure but, more particularly, the veterans, their supporters and their families, who have fought so hard for measures such as this, are to be commended. Their perseverance and persistence should also be acknowledged. Everyone in this place will be aware of the stories told by constituents—who are now mainly very frail—about the terrible time in Japan, and all members of the public will be familiar with the books, films and images from that time. It is often very hard for someone of my generation to comprehend the suffering that people went through. This is, for all generations, one small and significant way of acknowledging the courage and the experience of these people.

The unique nature of the Japanese internment of Australians and those of other nations has been recognised since the 1950s, when those who had been held became eligible for modest payments from Japanese assets made under the provisions of the 1951 San Francisco Treaty of Peace with Japan. In the intervening years, the RSL, and former prisoners of the Japanese unsuccessfully pursued the issue of additional compensation with Japan. More recently, British, New Zealand, Dutch, American and Canadian POWs successfully campaigned for their governments to make similar payments to the payment contained in this bill.

The Democrats acknowledge that veterans of other campaigns were taken prisoners of
war, and we are now making an exception for the Australian veterans who were held prisoner by the Japanese during the Second World War in recognition of the unique circumstances of their collective captivity. We support this bill in recognition of their unique ordeal. We particularly welcome the payment being extended to the surviving widows and widowers of former prisoners, acknowledging those who lost their spouses to the POW camps or who supported their partner on their return from the war.

Bearing in mind that many veterans, citizens and their widows are now aged and frail, the Democrats call on the government to provide the maximum level of assistance to enable claims to be made by entitled persons. Australians do owe a debt to those who went into captivity in South-East Asia and, whilst due administrative process must occur, the ability to claim entitlements must not be muddied by myriad complex obligations. I note some of the questions that Senator Schacht raised in his contribution and I hope that those are addressed by the government. I hope the extreme haste with which this measure is being introduced by the government does not lead to unintended glitches in the administration and distribution of this payment. We should all do what we can to prevent that from occurring.

I should note that, despite praising this measure, there are still other significant aspects and concerns from the veterans community which were not addressed by this government, particularly the ongoing insistence on treating veterans disability pensions as income under the social security income test for age pensions. That is one of the major concerns of the veterans community. It would have been, in a budget that was talking about welfare reform, the ideal time to address that longstanding anomaly. It is a concern of the Democrats that once again that has failed to occur. Nonetheless, we support the measures that are contained in these bills because the Democrats believe that in large part they are repairing damage caused by this government. (Time expired)

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.15 a.m.)—I would like to thank senators for their contributions to the debate and thank them for the indications of support. Senator Bartlett said there were some questions put down by Senator Schacht, and I would like to briefly answer them. He asked first why the money for this measure had to be paid out this year. The answer is: to make the payments as soon as possible. He asked what the position would be if after many years a POW divorced his wife then remarried perhaps only for a short period. Is it the last wife who gets the $25,000 payment? The answer to that is fairly simple: a divorcee is not a widower. Divorcees are not eligible. He pointed out that the government establishes a precedent in having a stand-alone bill to pay non-veterans, and why couldn’t the government use the same method to pay 400 civilian doctors and medical staff who were in Vietnam, as apparently the ALP have sought earlier. The answer to that is that the factual circumstances were totally different. There were no deaths amongst SEATO medical staff.

He then asked: how do we confirm that a person was a civilian internee; do they have to have been in Australia at the time of internment—for example, if the husband was an interned British citizen but the wife Australian? The answer is that Australian citizenship did not exist in 1949. The test in the bill is based on domicile in Australia immediately before internment. The domicile test is well known. It is based on an intention to remain indefinitely at a place. He also asked why the payment was applying only to POWs of the Japanese. They experienced a particular hardship. Those people suffered fairly unique ordeals, and that is clearly shown by the difference in death rates. The POWs that were interned in Japan had a death rate of 36 per cent, whereas those that were interned in Europe had a rate of three per cent. A dramatically different treatment was endured by the POWs in Japan, resulting in 36 per cent dying in captivity, whereas that rate was three per cent in Europe.

His last question was: why not exempt the payment from deeming? The answer to that is that the payment of the $25,000 will not be
counted under the income and assets test. The investment of the $25,000 will be counted under normal rules in relation to the income earned from that investment, and that is the same treatment that has been given to other types of exempt income and assets, including other compensation payments under this legislation.

Coming back to the point of Senator Schacht’s about the measures being delivered now, I repeat that of course we want the benefits to go out as soon as possible. This budget delivered the fifth consecutive cash surplus—the longest run of cash surpluses in about 30 years—and that enables us to make these payments. I am very pleased that opposition members support the passage of these bills.

Briefly, on the matter of the new tax system, the government had a number of measures to assist older Australians, such as real increases in pensions and allowances; lower income tax rates; lower capital gains tax rates; one-off non-taxable bonuses of up to, depending on your position, $3,000; and refunds of excess imputation credits. That stands in stark contrast to the behaviour of the previous government who, when they increased wholesale sales taxes—usually after elections and without announcements—did not pay any compensation or assistance to pensioners and self-funded retirees.

The ACTING DEPUTY PRESIDENT (Senator McKiernan)—The question is that the amendment moved by Senator Bartlett be agreed to.

Question resolved in the negative.

Original question resolved in the affirmative.

Bills read a second time.

In Committee

The bills.

Senator SCHACHT (South Australia) (11.22 a.m.)—I will only take a few minutes. Minister, I was given a quick briefing on the answers you gave to the questions I raised in my speech on the second reading. I mentioned the issue of Second World War prisoners of war in the European theatre, and I gave a number of examples from the document the department produced to commemorate the visit to Crete by a number of prisoners of war. Is there any particular reason why, apart from the cost, which I know is always a major issue, the prisoners of war in the European theatre, many of whom suffered significantly—I am not going to say as badly as prisoners of the Japanese—could not be considered for compensation? I noted the background in the minister’s handout about the peace treaty with Japan in 1951 and the compensation. Is the reason the European POWs could not be considered because there are outstanding claims against the Japanese government and it is an issue of compensation dealing with the Japanese government specifically?

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.24 a.m.)—Senator, as you know, I am not the minister responsible for the development of this proposal, but I was there when it was considered. I cannot say that what you have just said was not in the mind of someone, but I have never heard that. It was not taken into consideration. The answer I gave is the one that was considered—the European versus the Japanese prisoners of war. There is one real explanation and another that simply adds to it. The substantive explanation is that the death rate in European internment was three per cent, whereas it was 36 per cent for Japan. That dramatic difference highlights the different conditions. That is certainly not to say that people in European situations did not suffer, but that dramatic difference of something like 10 times the rate indicates the dramatic difference in the circumstances of Japanese POWs. That is borne out by the fact that other governments that have chosen to make this decision, the United Kingdom and Canada, have made the same one.

Senator SCHACHT (South Australia) (11.25 a.m.)—Thank you. Would the widow of a prisoner of war who was married at the time and may or not have remarried be eligible for the $25,000 if the POW died in the camp during the war?

Senator VANSTONE (South Australia—Minister for Family and Community Serv-
ices and Minister Assisting the Prime Minister for the Status of Women) (11.26 a.m.)—
If she is the widow of an Australian prisoner of war who died in the camp, she would be eligible.

Senator SCHACHT (South Australia) (11.26 a.m.)—Thank you. Minister, you clarified for me the query of the civilian internee. I raised the example of an interned non-Australian citizen who was married to an Australian citizen who was the widow. That person would not be eligible for the compensation. I understand that is the position.

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.26 a.m.)—
The advice I have is this: citizenship was not around then, so that is not an issue. The payment would be based on domicile. If someone was domiciled in Australia immediately before internment, their widow would be eligible. Domicile is a longstanding test of an intention to permanently stay. So the answer to that widow is yes.

Penang was a colony of Australia. We did not have citizenship; we were still British citizens. Her husband had British citizenship, I think because he was born in Great Britain. She was born in Australia but still had British citizenship. They lived in Penang; he was a civilian working there. He was interned and killed by the Japanese in the internment camp. She got away. Is she eligible? The way you are describing it, I think she would be eligible for the benefit because she was living in an Australian colony. They both were.

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.28 a.m.)—
The inclination is to say yes, because it is based on domicile. If a person were domiciled in Australia—that is, they had an intention to permanently stay—

Senator Schacht—That includes PNG, as a colony?

Senator VANSTONE—I assume that it does, but it is a technical question. The intention is that the widows of people who were domiciled in Australia immediately before internment would get the benefit. I think when you come down to specific examples of who was where, when, and for what period of time—some of the more intricate things—that is something that will depend on the facts, and I am a bit reluctant to answer on a particular case without the whole deal there.

Senator SCHACHT (South Australia) (11.29 a.m.)—I appreciate that, Minister. I am in no way critical of your caution; I would be cautious if I were in your position as well. In the example I gave, if that person gets knocked back, do they have a right of appeal to the full paraphernalia of the veterans appeals tribunal et cetera?

Senator Vanstone—Yes.

Senator SCHACHT—Is it okay for a civilian who is not covered by the Veterans’ Entitlements Act to appeal to a veterans appeals board? How do they appeal?

Senator Vanstone—It is the AAT.

Senator SCHACHT—That is not in the bill, is it? Is it in the bill? Can you draw to my attention, via your advisers, where in the bill there is the reference to the AAT? Like everyone, I am catching up here quickly as we are dealing with the bill.

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.30 a.m.)—I thank Senator Schacht for his patience in this matter. It is at clause 7(2) and the definitions. Clause 7(2) states that:

A person who is dissatisfied with the Commission’s decision...may apply to the Review Tribunal...

So you go to the definitions, look up what the review tribunal is and you get the answer.

Senator SCHACHT (South Australia) (11.31 a.m.)—Thank you.

Senator Vanstone—Actually, the Deputy Clerk was of assistance in that matter.

Senator SCHACHT—I suppose that will form part of the claim for the year’s performance bonus.
The TEMPORARY CHAIRMAN (Senator Bartlett)—I am not sure whether bonuses are available, Senator Schacht.

Senator SCHACHT—In the information booklet, the minister lists the number of civilian internees who would be eligible. Where was that list compiled from?

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.32 a.m.)—I am advised that there is no single, defined list. A number of historical searches were done. There is no magical list. It is not easy to get that sort of thing. But to the extent that they have been able to do that, that is the figure they have come up with.

Senator SCHACHT (South Australia) (11.32 a.m.)—Does that mean that the names on the list will automatically be written to and offered the $25,000 cheque? Is it open for other people, who may not have been identified on the list, to come forward to the department and produce the evidence?

Senator Vanstone—Yes. They can apply. That is right.

Senator SCHACHT—Is that list of civilian internees, and information on how it was compiled, available for public perusal?

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.33 a.m.)—I did not address directly a point made by Senator Schacht. I think he was asking whether cheques would be sent directly and I said, yes, people could apply. Cheques are not being directly sent.

Senator SCHACHT (South Australia) (11.33 a.m.)—To the civilian detainees?

Senator VANSTONE—That is right. Anyone can apply. So it is not a case that we have a list and we think these are the people affected and everyone else will have to argue their case; it is a matter of application.

Senator SCHACHT (South Australia) (11.33 a.m.)—In the material provided by the minister, I think he mentioned—and the advisers may correct me because I cannot find it in the pile at the moment—that there are something like 2,000. Is that right? Is that the number of civilian internees we are looking at? Is it about 2,000?

Senator Vanstone—Yes.

Senator SCHACHT—Do those people already know that their names are on the list? Do you already have a record that they were detainees? Will they still have to write to the department saying, ‘I am on your list. Please send me the cheque’?

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.34 a.m.)—When I indicated to you that there is no magical list, that is the point. There is no list; these are estimates. There isn’t a list.

Senator Schacht—Where did the figure of 2,000 come from?

Senator VANSTONE—Estimates. That is what an estimate means. People have estimated the figure on the basis of various historical sources and population estimates. The point is not how many there are, but that we say that they are entitled.

Senator SCHACHT (South Australia) (11.34 a.m.)—I understand. What is already happening in my office, and what will happen to every member of parliament, is that lots of people ring up claiming that grandaunt, dad or grandad may have been in PNG, so how do they get that checked? The figure of about 2,000 is only an estimation. We have made an historical estimation, but the DVA does not have a list of people who were actually interned?

Senator Vanstone—That’s right.

Senator SCHACHT—If we do not have a list, how are we going to prove their bona fides and that they were actually in a camp?

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.35 a.m.)—There will be two elements to an application: one will be historical records like Red Cross records, and families may have evidence themselves, and then there is the domicile question which has to be considered. They have to be domiciled in Australia and that
obviously needs to be verified. The other aspect is the internment aspect and that will be on the basis of what historical records are available, including things like Red Cross records.

Senator SCHACHT (South Australia) (11.36 a.m.)—I want to raise a case—

Senator Vanstone—So much for a couple of minutes.

Senator SCHACHT—I am sorry, but if another minister wants to come in, the same advice can be provided to the replacement on the front bench.

There is a lady in Adelaide—and I do not think she would mind me mentioning her name because she has sought publicity to promote the cause she has been strongly involved in—who was forced into being a so-called comfort woman for the Japanese. A documentary film was made about her life and her name is Jan Ruff-O’Herne. Her father was Dutch and her mother was Javanese. She was 14 or 16 when the Japanese captured Java. She was forced into a Japanese officers’ brothel in Java for three months and then returned to the camp.

She subsequently married a British soldier at the end of the war. They both settled in Australia and, as I understand it, took out Australian citizenship. She has sought compensation on behalf of herself and all the comfort women. I was recently in South Korea, where it is estimated that 200,000 Korean women were forced into being comfort women. Would she be eligible—she and her whole family were certainly interned—to apply for the $25,000?

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.38 a.m.)—You have the answer to this, Senator. If she was domiciled in Australia immediately prior to internment, yes. The basis of the payment is: were you domiciled in Australia immediately prior to the internment? To those people, the answer is yes. I do not know her circumstances; you indicated her lineage, but not necessarily her domicile.

Senator SCHACHT (South Australia) (11.39 a.m.)—She was not domiciled in Australia; she grew up in Java—in the Dutch East Indies, as it was then called. The British government accepted that it would pay prisoners of war of the Japanese in order to stop prisoners of war in Great Britain taking a case to an international forum to apply for compensation. As I understand it, the British government took the action for diplomatic reasons to say, in a sense, ‘The war is over; there have been peace treaties signed, et cetera. We will pay the compensation because we have signed off on the war.’ I just wonder whether, because of the tragic circumstances of Jan Ruff-O’Herne, the fact that we signed a peace treaty with Japan in 1951 and the fact that she has been a citizen of Australia for practically all her adult life, she deserves some compensation. I have to say that, whatever the legal niceties, it does look a little odd that a subsequent citizen of Australia who suffered so greatly does not get any compensation at all, when we are saying to the prisoners of war, ‘This is compensation to you for your suffering at the hands of the Japanese.’

Senator SCHACHT (South Australia) (11.40 a.m.)—I appreciate that the officers do not have all the material here. As I said in the second reading debate, that is one of the difficulties of rushing through the legislation, but I trust that, by the time of the Senate estimates committee hearings in 12 days, they will be ready for a long session as we work our way through a lot of this material, because I suspect that, unfortunately, lots of individual cases in that grey area will start to
emerge. I think that you are going to have a problem.

If they did not have an Australian passport or Australian citizenship available by the time the Second World War broke out, how can you define who was an Australian citizen domiciled in Australia? I suspect that, if this ends up in the AAT, even the best legal minds in Australia will start running into the problem of defining who was eligible as an Australian internee when there was no citizenship and where they stand in regard to a colony of PNG or of Nauru—there were civilian massacres in Nauru. I in no way oppose civilian internees getting the payment. I make that quite clear: I am not being difficult and saying that they should not get it. What I am afraid of is how you handle the definition of an Australian resident. You cannot say it is an Australian citizen, because they are British citizens. Does that mean that a British citizen who came to Australia before the Second World War and ended up in Hong Kong and was interned, as many of them were, for the rest of the war is able to make a claim? They are British citizens, and we were all British citizens at the time.

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.43 a.m.)—The payment will be made on the basis of whether you were domiciled in Australia at the time. It is not a function of citizenship. We did not have, as you rightly—

Senator Schacht—You can’t be domiciled in Australia at the time you were interned, because you would have been part of—

Senator VANSTONE—Senator, the answer to this has been given. I presume that there is some sort of delay going on here, because this is the fourth—

Senator Schacht—There is not a delay. Minister, I resent that greatly.

Senator VANSTONE—I am actually on my feet and I have the call.

The TEMPORARY CHAIRMAN (Senator Bartlett)—Order! Senator Schacht.

Senator Schacht—I warned in my speech during the second reading debate that there were a number of issues that I wanted to raise because this bill is very important. To say that I am delaying—

Senator VANSTONE—I thought I had the call—gee, I’m sorry!

The TEMPORARY CHAIRMAN—Order! Senator Schacht, the minister has the call.

Senator VANSTONE—I have concluded.

Senator SCHACHT (South Australia) (11.43 a.m.)—I am not trying to delay. These matters will have to be taken up in the estimates committee. If they were domiciled in Australia prior to or during the war, how could they be interned? Australia was not actually invaded. We are talking about somebody who has some connection to Australia, who happened to be in a colony or in Hong Kong, Singapore or Java, and was interned. You are saying that the only definition at some stage before the Second World War was that they had to be domiciled in Australia. The sixty-four dollar question is: how long is a piece of string? It is—I am responding to a nod from the advisers’ desk. What I want to ask is: if Jan Ruff-O’Herne spent two months—and I know that she did not—at school in Australia in 1939 and then went back to Java and was interned, would that count as being domiciled in Australia?

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.45 a.m.)—The question of domicile is one that would be decided on a case by case basis. I am sure you appreciate that if ‘domiciled’ was capable of being described as ‘has been there for one week, two weeks, two months, three months or two years’ it would be. But it is not. It is a looser definition and it is a test of whether one had a permanent intention to stay. I have given you the answer to that.

Senator Schacht—Permanent intention to stay in Australia?

Senator VANSTONE—to reside in Australia, yes.

Senator Schacht—But they were interned because they lived in—
Senator VANSTONE—Senator, we have been through this but I will go through it again.

Senator Schacht—No, Minister—

Senator VANSTONE—I am sorry, Mr Chairman. I sat down last time because you let him stand up. I do not mind but we have got to have some rules in this place: otherwise, it is just like a union brawl.

The TEMPORARY CHAIRMAN (Senator Bartlett)—Yes. The minister has the call.

Senator Schacht—You use that as a pejorative term, supposedly?

Senator VANSTONE—Absolutely as a pejorative term—you can be sure of that. You can probably ask Peter Baldwin what he thinks of how those things run.

The payment will be made to those people who were domiciled in Australia immediately prior to internment. The question of whether one is domiciled focuses on whether one at that time had a permanent intention to stay in Australia. You may find this peculiarly difficult but it is a test that has worked for years in a variety of places and those people who are lucky enough to be experts in this area in the Administrative Appeals Tribunal will be able to manage it. That is not to say that the facts of each case on a case by case basis will not be difficult and that there will not be some difficult cases to conclude. But it is not this government’s design that we did not have citizenship at the time: that is a factual situation which I am sure you would like to blame us for today! What we have decided to do is to make the payment to those people who were domiciled in Australia at the time. It does not mean that they actually had to have physically been here: it means that their permanent intention was to live in Australia. People do go away for periods of time and on a case by case basis those matters have to be determined.

Senator SCHACHT (South Australia) (11.48 a.m.)—The government had a month or so from the budget decision in cabinet to prepare material. It would have been useful if there had been in the second reading speech or in the explanatory memorandum of the bill some description or guidelines as to how the issue for civilian internees was going to be dealt with. There are no guidelines at all. By the time we come to estimates—in 12 days time, I think it is, for Veterans’ Affairs—will the department be able to give us some guidelines about the internship issue so that that can be provided to people? I suspect you are going to get a lot more people coming forward than you expect in dealing with this.

You used the phrase ‘domiciled in Australia immediately before the war.’ I suspect there are people who were working in South-East Asia who were born in Australia but went into South-East Asia five or 10 years before the war. I presume they would be eligible if they could show that they were born in Australia, even though they do not have Australian citizenship—they had British citizenship.

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.50 a.m.)—What people in those circumstances would need to do is show that their permanent intention was to return: in other words, that they had not given up on Australia.

Senator Schacht—How do they do that?

Senator VANSTONE—We are stuck with ‘domicile’ as a criteria because we did not have citizenship at the time: that is a factual situation which I am sure you would like to blame us for today! What we have decided to do is to make the payment to those people who were domiciled in Australia at the time. It does not mean that they actually had to have physically been here: it means that their permanent intention was to live in Australia. People do go away for periods of time and on a case by case basis those matters have to be determined. 

Senator Schacht—You use that as a pejorative term, supposedly?
‘Domiciled’ is not an unfamiliar test in administrative law. This is not some new test that we have dreamt up. It is a perfectly common thing and—on a factual, case by case basis—these matters will have to be resolved.

You say that there might be more people: if they are entitled, well and good. All you are doing, Senator, is highlighting that there may be some cases where it is difficult to establish whether someone comes in the net that we have cast or not. We would hope that everyone who is entitled gets paid. And you are right that there may be some difficulties in doing this but this government has shown over the last five years that it is prepared to take on difficult things if it believes they are right. It may have been easier to just say, ‘Forget it—we’ll leave it to service people.’ We have chosen this path and we will complete the task.

Senator SCHACHT (South Australia) (11.51 a.m.)—The phrase ‘a permanent intention to reside in Australia’—

Senator Vanstone—‘Intention to permanently reside.’

Senator SCHACHT—‘Intention to permanently reside in Australia’—is that a phrase that the department uses or is it a phrase that is already known in administrative law? Does it have any standing at all?

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.52 a.m.)—It is just not possible in a committee stage to give you a PhD in the law as it relates to the term ‘domiciled’.

Senator Schacht—These are your definitions for paying people $25,000. I just want to find out—

The TEMPORARY CHAIRMAN (Senator Bartlett)—Order!

Senator Schacht—Sorry, I know I should not interject, but 100 questions keep popping up.

Senator VANSTONE—I can say no more to the senator than this, because every which way he turns you come back to the basic premise that has been put: payment will be made to people who were domiciled in Australia immediately prior to internment. ‘Domiciled’ is a very common term in admin law and it is understood. It may not be something that the senator understands, but it is common throughout the English legal system, and our legal system has adopted it. The question of whether you are domiciled somewhere or residing there is common internationally. While that does not mean that these things are always easy, it means the tests are relatively clear—but, of course, you have to apply them on a case by case basis.

Senator SCHACHT (South Australia) (11.53 a.m.)—I did ask whether, by the time the estimates come around in 12 days time, it will be possible for the department to provide some more information about how they are going to give people advice on whether it is even worth applying under these arrangements. Every member of parliament is going to be asked sooner rather than later about whether somebody is eligible for the $25,000 for civilian internment.

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.54 a.m.)—Obviously, if senators seek information, the department will provide to the Senate estimates as much information as it has at the time.

Senator SCHACHT (South Australia) (11.54 a.m.)—The Department of Veterans’ Affairs is a very competent department. I would have thought that, being a proactive department on many of these issues, the department would be able to provide guidelines to their staff who handle these queries and that these guidelines would be available by the time the estimates committee meets. I have a couple more questions. I will not be long.

Senator Vanstone—That’s what you said a couple of hours ago.

Senator SCHACHT—I know, but as soon as you start probing a little into this bill—a bill we all support—you start finding difficulties with definitions. That is what the committee stage is about.

Senator Vanstone—‘Domiciled’ is not a difficult definition.
Senator SCHACHT—It was not mentioned in the second reading speech that the first issue is: because we did not have Australian citizenship prior to the Second World War, you do not automatically have that test available to you. Therefore, we are automatically in a different league. On the last page of the bill it says:

Appropriation of Consolidated Revenue Fund
The Consolidated Revenue Fund is appropriated for the purposes of compensation payments, to the extent of $133,975,000.

Yet the government’s press release talks about the cost of this being $247.8 million. There is probably some very logical reason to explain whether or not the figures are related, but I would like an explanation or to be advised whether I have got this round the wrong way.

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.56 a.m.)—Some people are being paid under the Veterans’ Entitlements Act; others—obviously civilians—are not. That is why there are two figures.

Senator SCHACHT (South Australia) (11.56 a.m.)—So the figure of $133 million which is in the bill is for the civilians?

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.57 a.m.)—There are two payments because some people are paid under the Veterans’ Entitlements Act and others are not. You asked a question in relation to widows. Some widows will be paid under the act and some will not. Those who are still widows will be paid under the Veterans’ Entitlements Act. Apparently those who have remarried do not come under the Veterans’ Entitlements Act and will be paid under the other appropriation that pays civilians. Because they have remarried, apparently they do not get paid as widows under the Veterans’ Entitlements Act. But they all get paid.

Senator SCHACHT (South Australia) (11.58 a.m.)—So the $133 million in the bill is an approximation for the 2,000 civilians times $25,000 plus those widows who have remarried and are therefore not entitled to get paid under the Veterans’ Entitlements Act?

That means that just under $100 million will be for widows who have remarried—2,000 times $25,000 is $50 million. Is that right?

Senator VANSTONE—So that is the $133 million in the bill?

Senator SCHACHT—That was your question, Senator.

Senator VANSTONE—That’s it.

Senator SCHACHT (South Australia) (12.00 p.m.)—So the figure of $133 million includes an estimation that you think about 2,000 civilians who were interned will apply. What is the figure that you gave the finance department to reach this amount?

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (12.00 p.m.)—The expectation is that there are about 600 either detainees or their widows who would now be eligible to claim. Of the 2,000 civilians estimated to have been taken captive,
some have died and their widows have died. So the estimate is that there are about 600 who are now in a position to claim.

Senator SCHACHT (South Australia) (12.01 p.m.)—This is the figure that finance signed off on, as they would have to go through the ERC process—I have been around long enough to know how that works. To get the figure of $133 million, you have told the finance department that you think there will be about 600 claims from civil detainees or their widows. And the other number for the $133 million in this bill, which is not covered by veterans’ entitlements, are the remarried widows of veterans. You said that the number of widows who have remarried is 4,000. If you have 4,000 widows and multiply that number by $25,000, that comes to about $100 million. That is a quick calculation. And $25,000 multiplied by 600 makes up the other $33 million; is that right? I am just trying to get some figures clarified as to how you reached the amount of $133 million, and we now find that the minister used is that there were 2,000 internees and that we expect 600 claims. That is fine; I just want to get the facts. We now think that there are 4,000 widows who have remarried who will also be able to claim; is that right?

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (12.02 p.m.)—The officials have given the best advice that they have in relation to this. They of course expect that people will want to go into detail at estimates about projections of the costs. But you have been given the information that there were 2,000 civilian detainees and that the expectation is that there will be some 600 who will be eligible to claim. In relation to the widows the figure is 6,000, and about 4,000 of those have remarried and will be paid under a different act; the 2,000 who have not remarried will be paid under the Veterans’ Entitlements Act.

Senator SCHACHT (South Australia) (12.03 p.m.)—The $133 million in the bill, if it is carried today and is proclaimed in the next few days, will be paid out of this financial year’s budget; is that right?
paid under that appropriation will hopefully be paid under the appropriation that, if we pass this bill, will appropriate the money to this year’s budget.

Senator SCHACHT (South Australia) (12.06 p.m.)—Last year at the estimates hearings in relation to veterans’ affairs we had a very careful PBS that outlined the whole expenditure for veterans under the Veterans’ Entitlements Act, running to about $8 billion. It was all carefully tabulated, if you could follow the accrual accounting system—last year the department could not follow it too well and had to come back with further information. This $114 million is paid out of this financial year; do you mean to tell me that you have $114 million spare out of last year’s budget that you are able to pay before this new budget goes through?

Senator V ANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (12.07 p.m.)—Senator, did you indicate to me that you were once the minister for veterans’ affairs?

Senator Schacht—No.

Senator V ANSTONE—That is perhaps why you do not understand, and why you are repeating it to me. Just to make sure, let us run it past you again.

Senator Schacht interjecting—

Senator V ANSTONE—I do not like to yell. You are getting a bit tense and I like to keep you calm and sweet. There is a standing appropriation under the veterans’ act. That means that, when veterans need to be paid, they can be paid. We need a separate appropriation for the others, and that is what we are trying to do today.

Senator SCHACHT (South Australia) (12.08 p.m.)—So that means that, at the end of the financial year, in the standing appropriation there will be an adjustment of $114 million further for the year just ended because you have had this extra expenditure? In the budget last year, you did not have $114 million to pay compensation to POWs.

In the portfolio budget statements I think you will be able to see how it has been accounted for. I am sorry you find that funny, Senator. I am genuinely sorry that you do not understand standing appropriations and that you do not understand that all we are trying to do here today is to pass these bills so that we can pay these people the money. I am sorry that you do not appreciate that you have the opportunity at estimates to go into far more detail about this. I am sorry that you do not appreciate that domicile is a test that is used internationally, and I am sorry that you need to have it explained four times. I am very sorry for your position, but I simply want to get the bills passed so that these people can be paid.

Senator SCHACHT (South Australia) (12.09 p.m.)—It is true that I can ask these questions in estimates. I said earlier that normally estimates deal with these matters before the bills are passed. We will be dealing with questions at estimates after the bill is passed. We are in a unique position with this particular bill, but I will still go to estimates.

I understand about standing appropriations and having the ability to pay the pensions. As the year goes on there are adjustments made—some people die and some people get new entitlements, so you cannot have an actual figure. All I am trying to get is agreement from the department that this $114 million was not expected to be expended when the present financial year started last year. So on 30 June the accounts for the department will show that, whatever the figure was estimated to be last year, there will be a further $114 million added for payment to these veterans. That is all I am seeking confirmation of.

Senator V ANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (12.10 p.m.)—Your simple question is: will the budget papers and the portfolio budget statements reflect this payment? Yes! What did you think we were going to do? Sweep it under the carpet? It is pretty obvious. I have all the time in the world. You came in here as we were just completing the committee stage,
and you sought leave to go back to it because
you had ‘just a few questions’. You could not
promise that it would be only two minutes
but that it would just be a few. On that basis,
leave was given. If you have questions, we
are of course happy to answer them, but we
are approaching 60 minutes since then. This
will be borne in mind in future when you ask
for leave for something with a pass of the
hand and, ‘Oh, only a few minutes; I’ve got a
few questions,’ as will be borne in mind your
capacity to ask the same question on numer-
ous occasions. You have your answer; I do
not know what else you want to know. Ask
another question; ask something different
though. People have travelled here to see
their parliament. They do not want the same
question asked again and again. Ask a differ-
ent question.

Senator GREIG (Western Australia)
(12.12 p.m.)—Minister, I do have a couple of
brief questions.

Senator Vanstone—I’ve heard that be-
fore!

Senator GREIG—I dare say. A point of
clarification: must the widows eligible for
the compensation be legally married, or is a
de facto definition also provided for in al-
lowing them the grant?

Senator Vanstone—There is de facto rec-
ognition.

Senator GREIG—I understand that we
are looking at roughly 2,000 prisoners of
war. Is that the case?

Senator Vanstone—The estimate is that
payments will be made to something like
2,500 living prisoners of war.

Senator GREIG—Those 2,500 people
would be eligible personally for the compen-
sation. For those who have since died, their
widow or de facto spouse would be eligible
for that payment?

Senator Vanstone—The answer is yes,
but do not forget the date. Either party
needed to be alive on 1 January. Some will
have died subsequent to that, and that money
will be paid to their estate.

Senator GREIG—Does that include the
surviving partner in a same sex relationship?
I am referring in particular to one case you
may be aware of—that of Mr Edward
Young—which has had some press recently.
He is the surviving partner in a long-term
relationship. His partner was in the Army
and died recently. They were together for
some 30 years, but Mr Young is ineligible for
the pension because of the heterosexist defi-
nitions of ‘spouse’ and ‘partner’ in the act.
Will it be the case, therefore, that those sur-
viving partners of prisoners of war who were
in same sex relationships would be denied
this compensation?

Senator VANSTONE (South Australia—
Minister for Family and Community Serv-
ices and Minister Assisting the Prime Min-
ister for the Status of Women) (12.15 p.m.)—
Senator, I appreciate your interest in, and
advocacy of, gay rights but the entitlement in
a whole range of areas does not at this point
extend to same sex couples throughout Aus-
tralia and would not in this circumstance.

Senator GREIG (Western Australia)
(12.15 p.m.)—I do not think of it as gay
rights; I think of it as human rights. To that
end, Mr Edward Young, as you may know,
has actually taken his case of discrimination
to the United Nations Human Rights Com-
mittee. Of course the finding of that com-
mittee is not binding on the government, but
is it the government’s intention to persist
with this exclusionary definition to the social
and financial detriment of gay and lesbian
citizens and taxpayers? I wonder whether
you are aware of any alternative policy.

Senator VANSTONE (South Australia—
Minister for Family and Community Serv-
ices and Minister Assisting the Prime Min-
ister for the Status of Women) (12.16 p.m.)—
Senator, the government does intend sticking
with this definition.

Senator SCHACHT (South Australia)
(12.16 p.m.)—On the point that Senator
Greig raised, I have realised that in the terms
of the legislation you do not cover this, but is
there anything to stop the government mak-
ing an equivalent ex gratia payment from the
special fund that the minister for finance
holds from which ex gratia payments in spe-
cial circumstances are made? Senator Greig
has raised one case for which you say the
present definitions do not allow, but there is
nothing to stop the finance minister making a
special ex gratia payment of the equivalent amount from that fund—I understand there is usually about $100 million a year available.

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (12.17 p.m.)—Senator, I do not know whether you are announcing Labor Party policy to make ex gratia payments to the surviving same sex partners of prisoners of war in Japan. If you are—

Senator Schacht—I am just asking you—you are the government.

Senator VANSTONE—We will be interested to see the press release. I have answered Senator Greig—who, I might say, is a lot more pleasant to deal with than you—and he understands the answer. He does not agree with it, but he understands it. There is a whole range of payments that can be made as ex gratia payments by the minister for finance on application, and it would be up to anyone who wanted to make such an application to do so.

Senator BROWN (Tasmania) (12.17 p.m.)—That brings me into the debate. That was a value laden statement from the minister if one ever heard one, and a negative and discriminatory one at that. Not just the words but the tone were discriminatory and against the interests of the very people that Senator Greig was advocating for. He has pointed to a discriminatory ruling here. Senator Schacht has pointed to a way of not getting around the legal discrimination but at least getting around the penalty that gay and/or lesbian citizens will get from the application of government policy. Senator Vanstone says, ‘Is that Labor policy?’ with the clear tone that, if it is, it is going to get some sort of write-up from some right wing people in the press.

Senator Vanstone, you could have been constructive about this. There are people being discriminated against. It is a very easy matter to fix up—at least in financial terms. Senator Schacht has offered a clear way of doing that, and I would have thought that you would have entertained that option. I suggest you rethink the matter.

Senator SCHACHT (South Australia) (12.19 p.m.)—I appreciate the support from my two Senate colleagues. Minister, the bill will get carried today and will be proclaimed in the next few days. Has the department said in its own program, subject to the carriage of the bill today, when the cheques to the veterans—the POWs—whom they know will be eligible, will be mailed out? I think in the statement the minister says, ‘It will automatically be forwarded to their bank accounts like their pensions are.’

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (12.20 p.m.)—The department indicates to me that one of the reasons we want this passed as soon as possible—and every day counts—is to get that money to those people before the end of June.

Senator SCHACHT (South Australia) (12.20 p.m.)—It is now 24 May—that is 36 days. Is it going to be at the end of June? Surely the department is anticipating that the bill will go through today. Do you have to wind the computer up for several days or is it a matter of doing it in conjunction with the next fortnightly payment of the pension—and that is due—or the fortnight thereafter? Will that be when the $25,000 is paid into the account? It seems to be a very simple question with a very simple yes or no to the next pension day.

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (12.21 p.m.)—The answer is very simple, Senator. We would expect to do that before the end of June. If we can do it earlier than that, we will. The first pension day possible from—

Senator Schacht—Today?

Senator VANSTONE—when the bill is final and complete. On the first pension day that we can possibly do it, we will do it.

Senator SCHACHT (South Australia) (12.21 p.m.)—Minister, you may have already responded to this question on deeming while I was walking into the chamber—actually I was running to get here on time. Why
does this $25,000 get the deeming rate at 5½ per cent? Is there a technical or a loophole tax reason why the deeming rate must apply to this? It is a compensation payment, and I would think that compensation payments should be separated from having further tax put on them.

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (12.22 p.m.)—Senator, I did answer that question while you were away. This payment will not be counted under the income and assets test for people receiving income support. But if they invest the payment and then earn subsequent income from that, that will come under the normal income test rules. That is the same as the treatment for other types of exempt income and assets and other compensation payments in the social security and veterans’ entitlements legislation. The payment itself escapes but, if it is invested and then earns income, the income from that does not escape.

Senator GREIG (Western Australia) (12.22 p.m.)—In terms of the exclusionary definitions, I understand what the government’s policy and position is; what I do not understand is why it is. Could the minister explain what purpose is served by denying, in veterans’ affairs or wherever, the surviving partners of lesbian and gay citizens access to pensions or compensation? What is the policy purpose of that? I understand what it is. Could you please explain why it is?

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (12.23 p.m.)—The government is paying compensation on the basis of the current accepted social laws with respect to who is considered to be a spouse. This is not something that is being particularly targeted against gays or any other group at this time. This definition is used broadly in a broad social area and is accepted by the government as being a reflection of what the community would expect. I understand there are people who have a different view with respect to that. Senator Brown’s contribution with respect to my own views was very sadly misplaced and ill-informed. The position is exactly as I have explained. That is the community expectation.

You have a different view. I know that there are other people in the community who have a different view. But the general community expectation is that the definition of ‘spouse’ relates to heterosexual spouses. I understand you are unhappy with that. I understand you have campaigned in a wide range of areas to have that changed, but it has not been changed either federally or in the states. You have not yet won sufficient majority support for that argument. You may one day, but you have not yet.

Senator GREIG (Western Australia) (12.25 p.m.)—With respect, Minister, the reality is that the majority of states either have reformed or plan to reform those laws—in other words, most Australian gay and lesbian citizens are now protected, and are covered to greater and lesser degrees, by some form of legal partnership recognition. It is only the Commonwealth that lags behind in that area. Would the minister accept that, if we are looking at roughly 2,500 surviving partners, even on a very conservative estimate, we might be looking at, in this case, 25 gay men who would be eligible if we had an equitable system of compensation but who will not under this? What legal redress would those 25 people have if and when aggrieved by this lack of compassion and compensation? For example, would HREOC be adequate to address their discrimination claims?

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (12.26 p.m.)—I am sure Senator Greig will not mind me acknowledging Senator Watson, who is in the gallery with some schoolchildren who are here as part of National Coat Day and to whom I would have presented the 1,000th or 10,000th coat at the appropriate time had Senator Schacht’s indications of ‘just a few questions, maybe not two minutes’ come to fruition.

Senator Schacht—I did not say ‘two minutes’.
Senator VANSTONE—Maybe not ‘two minutes’, but I did ask Senator Schacht—you were here, Senator Greig—when he wanted leave to reopen things whether this was going to take long, not because leave would necessarily be denied but because I might have got another minister, as I had this other commitment to these children and to National Coat Day, which is very important. It is about giving coats to people who need them to keep themselves warm in winter. In fact, I am not sure whether the coats that I have brought in to be donated have been found in my office and found their way through someone else—yes, they have. That is good. I just wanted to acknowledge the children. I am sorry I could not be there. Sometimes people say things, and they get them wrong.

Senator VANSTONE—Sometimes people say, ‘Oh, it might not be two minutes; it will not be long,’ and they do not get to it. There are various methods of recourse for people who believe they have been discriminated against. Of course, you know that before someone can go to the UN they have to exempt every domestic remedy. There may be one through HREOC—I do not know. If people want to express a view that this legislation is discriminatory I am pretty sure that that would be the first port of call, if that was in fact the appropriate place.

Bills agreed to.

Bills reported without amendment; report adopted.

Third Reading

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

GREAT BARRIER REEF MARINE PARK AMENDMENT BILL 2001

In Committee

Consideration resumed from 23 May.

Senator LUDWIG (Queensland) (12.30 p.m.)—I asked a question in relation to the amendment yesterday, and I was hoping to receive a reply. Perhaps I can give a quick reminder. Although we support the amendment, the question went to 8A(3A) to ensure that, if there were a discharge of sewage from a vessel—which no-one would want to see—the Great Barrier Reef Marine Park Authority would be able to board the relevant vessel and pursue an offence, and that offence would be held valid under any regulation. It goes to ensuring that the legislation passed in this house is appropriate. Hopefully, now that we have the relevant minister here, we will be able to get an appropriate response.

The second matter is really a pre-emptive one in relation to (3B) and one which exercised my mind. The bill talks about a penalty for an offence under the regulation, but it goes on to say that the regulation would not be able to provide penalties of imprisonment. I understand the import of that. However, what concerned me was whether there would be a default if the matter were brought as a complaint before a magistrate and the magistrate were to fine or otherwise deal with the person, what that default might be and whether the magistrate would be limited by (3B). If the magistrate were not limited and were able to implement a fine with a default imprisonment, notwithstanding (3B), I was concerned about whether the magistrate would feel constrained to have a levy or community order and whether that would be within their jurisdiction. If a warrant of execution were placed upon them to pay the fine, I wondered whether the magistrate would feel constrained to have a levy or community order and whether that would be within their jurisdiction. If a warrant of execution were placed upon them to pay the fine, I wondered whether the magistrate would be limited by (3B) or find themselves held by the Penalties and Sentences Act in Queensland and be able to impose any penalty they saw fit—something which would escape the import of (3B). In other words, they might be able to get to the end result of providing a prison penalty, which is not contemplated by the legislation. The government has had overnight to consider the matter of (3A). I am sure the minister will be able to provide a short answer on (3B) as well.

Senator HILL (South Australia—Minister for the Environment and Heritage) (12.33 p.m.)—We have overnight taken further legal advice, and that advice is to the effect that the regulation is not inconsistent with the proposed regulatory power. The amendment being proposed by Senator Bartlett is not
inconsistent with the existing provisions of the act. On that basis, our position is to con-
tinue to support the amendment.

Amendment agreed to.

Senator BROWN (Tasmania) (12.34 p.m.)—It is excellent that that amendment has been accepted. I now move Australian Greens amendment No. 1:

(1) Schedule 1, page 11 (after line 8), after item 12, insert:

12A Schedule 1
Repeal the Schedule, substitute:

SCHEDULE I—GREAT BARRIER REEF REGION

Note: See section 3

The area the boundary of which:

(a) commences at the point that, at low water, is the northernmost extremity of Cape York Peninsula Queensland;

(b) runs thence easterly along the geodesic to the intersection of parallel of Latitude 10° 41’ South with meridian of Longitude 145°19’33” East;

(c) runs thence south-easterly along the geodesic to a point of Latitude 12°20’00” South, Longitude 146°30’00”;

(d) runs thence south-easterly along the geodesic to a point of Latitude 12°38’30” South, Longitude 147°08’30” East;

(e) runs thence south-easterly along the geodesic to a point of Latitude 13°10’30” South, Longitude 148°05’00” East;

(f) runs thence south-easterly along the geodesic to a point of Latitude 14°38’00” South, Longitude 152°07’00” East;

(g) runs thence south-easterly along the geodesic to a point of Latitude 14°45’00” South, Longitude 154°15’00” East;

(h) runs thence north-easterly along the geodesic to a point of Latitude 14°05’00” South, Longitude 156°37’00” East;

(i) runs thence north-easterly along the geodesic to a point of Latitude 14°04’00” South, Longitude 157°00’00” East;

(j) runs thence south-easterly along the geodesic to a point of Latitude 14°41’00” South, Longitude 157°43’00” East; and

(k) runs thence south-easterly along the geodesic to a point of Latitude 15°44’07” South, Longitude 158°45’39” East;

(l) runs thence south-westerly along the geodesic to a point of Latitude 16°25’28” South, Longitude 158°22’49” East;

(m) runs thence south-westerly along the geodesic to a point of Latitude 16°34’51” South, Longitude 158°16’26” East;

(n) runs thence south-westerly along the geodesic to a point of Latitude 17°30’28” South, Longitude 157°38’31” East;

(o) runs thence south-westerly along the geodesic to a point of Latitude 17°54’40” South, Longitude 157°21’59” East;

(p) runs thence south-westerly along the geodesic to a point of Latitude 18°32’25” South, Longitude 156°56’44” East;

(q) runs thence south-westerly along the geodesic to a point of Latitude 18°55’54” South, Longitude 156°37’29” East;

(r) runs thence south-westerly along the geodesic to a point of Latitude 19°17’12” South, Longitude 156°15’20” East;

(s) runs thence south-easterly along the geodesic to a point of Latitude 20°08’28” South, Longitude 156°49’34” East;

(t) runs thence south-easterly along the geodesic to a point of Latitude 20°32’28” South, Longitude 157°03’09” East;

(u) runs thence south-easterly along the geodesic to a point of Latitude 20°42’52” South, Longitude 157°04’34” East;

(v) runs thence south-easterly along the geodesic to a point of Latitude 20°53’33” South, Longitude 157°06’25” East;

(w) runs thence south-easterly along the geodesic to a point of Latitude
My amendment is to enlarge the Great Barrier Reef Marine Park, but I want to follow up on Senator Hill’s second reading speech by saying that I add my support to this legislation and to the tougher penalties that are involved in it. As a deterrent, they will help to protect the Great Barrier Reef in the future but will not be able to give total blanket protection against those who will do the wrong thing. My amendment aims to enlarge the Great Barrier Reef Marine Park by extending its boundary to the exclusive economic zone to the east. For those who may have looked at the map, that would extend the park by approximately tripling it in size. It would also have a monumental value added effect on the conservation values of the park. By extending the boundary of the park and giving it the least restrictive zoning, all existing activities will remain unaffected, with the exception of mining and mineral exploration.

A recent proposal by TGS-NOPEC for seismic testing for oil in the Townsville trough, 50 kilometres offshore from the Whitsunday section of the park, was referred to Senator Hill under the EPBC Act, and he very wisely moved to stop that. The proposal had drawn strong public opposition, and the Queensland government also opposed it. There was concern that it would not only have a detrimental effect on marine life in the surrounding area but also pave the way for further oil production activities. The concerns about mining and seismic exploration focus primarily on the potential impact on the reef of incidents in extreme weather events—which are likely to become more intense and frequent through climate change—as well as on the potential impact of seismic exploration on the migration of whales and other marine mammals.

In other parts of the world, oil spills from wells have travelled over 1,000 kilometres and have caused serious environmental damage. Given the prevailing onshore winds off Central and Northern Queensland for most of the year, a major oil spill from any part of the Australian waters on the seaward side of the area would pose a major threat to significant and substantial areas of the reef and the industries that depend upon it. A recent spill in the Galapagos Islands off Ecuador demonstrated the inability of the petroleum industry to guarantee the safety of these areas against the impacts of its activities.

At the time of the seismic exploration proposal, there were public calls from environment groups like the Australian Conservation Foundation and from Queensland groups for a more permanent solution to ensure the protection of the conservation and economic values of the reef—specifically, to instigate a legislative prohibition on any oil exploration and development in Australian waters to the seaward side of the region. There has been little exploration in the area to date, as it is generally not considered to have high geological prospectivity for petroleum, though there may be some gas prospectivity, and the extension of the boundary would not prevent further scientific research but it would give legislative backing to that concern that there be a prohibition on oil exploration and such things as seismic testing east of the reef.
It is a window of opportunity to protect the reef from mining exploration and activities to the east without infringing upon other activities, like fishing and tourism, and so on, if the park were to be given the least restrictive zoning, which is inherently recommended in the amendment. What a great opportunity to give added protection and kudos to one of the nation’s most loved, most visited, most significant and iconic regions, the Great Barrier Reef. A national park extension would logically be followed by a world heritage nomination for that extension. I recommend this amendment to the Senate. In the run to the election, I say to Senator Hill that it would be a great opportunity for the government as well. It would not really be stepping on anybody’s toes but it would get resounding support from the Australian community.

Senator HILL (South Australia—Minister for the Environment and Heritage) (12.39 p.m.)—The first point that I should make is that we have actually been expanding the park within the existing region. I am pleased that those expansions have taken place in the last 12 months. That has not been an easy negotiation with the Queensland government; nevertheless, it has been achieved. Senator Brown, however, is suggesting that the region be greatly expanded to presumably facilitate a further expansion, in due course, of the park within the region. The figures I have been given show that it would be an expansion of the region from some 345,000 square kilometres—so it is obviously a big region now—to 1,328,000 square kilometres. It would be over 3.5 times the size of the existing reef.

Not surprisingly, we think that that proposal for enormous expansion requires a little more consideration than has been given to it as an additional issue to this particular debate, which is principally about improving the management effectiveness of the existing park and improving the tools with which it can be effectively managed. I could talk about it for some time but, in terms of getting a better outcome for the park, I would prefer the bill to be carried and to get the new penalties into effect.

I am not saying that there should not be a debate for the future as to whether we have the boundaries right, but I am saying that I do not think now is the time for it and would respectfully suggest that there might be other avenues open to Senator Brown to cause that other debate to take place in a considered and scientific way and to see whether such a huge expansion is actually justified. On that basis, I cannot accept the amendment from Senator Brown, whilst I acknowledge his obvious good intentions in relation to it, and I trust that the Senate will nevertheless support the bill in order that the new penalties can be implemented as quickly as possible.

Senator McLUCAS (Queensland) (12.42 p.m.)—On behalf of Senator Bolkus and the Labor Party, I would like to put a couple of points on the record. We recognise that the events in the Townsville trough last year did cause some considerable concern in the community and we also support the actions of the minister to stop that seismic testing in the Townsville trough. We also recognise that seismic exploration will potentially have an impact on the habitat of whales and other large mammals and that oil and chemical spills could have significant impacts on the Great Barrier Reef.

However, Labor are not convinced that Senator Brown’s proposal about the extension of the park boundaries is necessary to protect the world heritage area and feel that, in the absence of a stronger case for the need for the extension, it is somewhat premature. It is a very large and significant addition to the park. We will not rule out this option at a later stage. We would like to see a more detailed examination of the implications of such an extension in terms of both the impact on existing activities and the protection of the reef in the long term. We would certainly consider any scientific advice or recommendations to extend the area of the marine park, but Labor cannot support the amendment at this time.

Amendment not agreed to.

Bill, as amended, agreed to.

Bill reported with an amendment; report adopted.
Third Reading
Bill (on motion by Senator Hill) read a third time.

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

Second Reading
Debate resumed from 8 March, on motion by Senator Ian Campbell:

That this bill be now read a second time.

Senator O'BRIEN (Tasmania) (12.45 p.m.)—I simply say that the opposition supports this legislation and will not be moving any amendments.

Senator PATTERSON (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Parliamentary Secretary to the Minister for Foreign Affairs) (12.45 p.m.)—Very briefly, I commend the bill to the chamber.

Question resolved in the affirmative.

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

COMMUNICATIONS AND THE ARTS LEGISLATION AMENDMENT BILL 2000

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

That this bill be now read a second time.

Senator MARK BISHOP (Western Australia) (12.46 p.m.)—The Communications and the Arts Legislation Amendment Bill 2000 amends aspects of several acts administered within the Communications, Information Technology and the Arts portfolio. The opposition supports the amendments to various acts that are contained in this bill. I would like to briefly describe the measures included in this bill according to the acts that are amended. The bill amends four acts: the Public Lending Right Act 1985, the Telecommunications Act 1997, the Telecommunications (Consumer Protection and Service Standards) Act 1999 and the Trade Practices Act 1974.

The first category of amendments relates to the Public Lending Right Act 1985, or the PLR Act. The PLR Act provides for a public lending right scheme that compensates authors, at least in part, for income lost by the free multiple use of their books in public libraries. In 1999, a departmental evaluation of the scheme made several recommendations, including the need to address the lack of clarity in definition and articulation of the scheme. Pursuant to that recommendation, this bill inserts a statement of objectives of the scheme into the PLR Act. The bill also clarifies the process of making final payments in respect of deceased authors under the scheme. Payments may be made to a prescribed person, which does not include beneficiaries. In this way, beneficiaries are not paid directly by the scheme; rather, payments go to the legal personal representative of the deceased. Since 1996, the PLR scheme has ceased making payments directly to beneficiaries. This amendment reflects that arrangement and incorporates it into the act.

The second act amended by this bill is the Telecommunications Act 1997. Pursuant to existing section 315 of the Telecommunications Act, a senior police officer may request that a carriage service provider suspend the supply of the carriage service in certain circumstances. Those circumstances include where the officer has reasonable grounds to believe that an individual with access to that service has inflicted serious personal injury or threatened to kill or seriously injure another person, and suspension of the service is necessary to prevent the threat being made again. The carriage service provider may comply with the request but is not bound to do so. The proposed new sections provide that carriage service providers, their employees or agents will not be liable for acts or omissions done in good faith in compliance with such a request to suspend supply of the carriage service. Essentially, these provisions exclude the liability of carriage service providers for acts or omissions under this section of the act.

The third set of amendments in this bill amend the Telecommunications (Consumer Protection and Service Standards) Act 1999. This amendment simply changes a reference
in the act to the Australian company number, or ACN, of the Telecommunications Industry Ombudsman with a reference to its new Australian business number, or ABN.

Finally, this bill amends the Trade Practices Act 1974, or the TPA. The bill amends Part XIB of the TPA, which contains the telecommunications specific regime and includes prohibition of anticompetitive conduct. In the case of contravention of the prohibition of anticompetitive conduct—or the competition rule, as it is commonly known—the ACCC is empowered to seek an injunction and issue a competition notice stating the contravention. Section 151ABQ of the TPA deals with advisory notices issued by the ACCC in conjunction with a competition notice. Advisory notices provide guidance on how the recipient can remedy its conduct so it is not contravening the competition rule. As the act presently stands, advisory notices may only be issued when the competition notice is in force.

Item 9 of this bill allows an advisory notice to be issued at the same time as, or at any time after, the issue of a competition notice. Item 18 of the bill allows the chairperson or a sitting member nominated by the chairperson to exercise the procedural powers of the ACCC when resolving telecommunications disputes by arbitration. This amendment enables the ACCC to overcome its present inability to exercise procedural powers if a sitting member is absent or not available. In conclusion, all of the amendments contained in the bill are sensible changes to the relevant acts. They address the various shortcomings with provisions of those acts that have been identified. The opposition supports the amendments.

Senator PATTERSON (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Parliamentary Secretary to the Minister for Foreign Affairs) (12.51 p.m.)—I thank Senator Bishop for his contribution. As he said, the Communications and the Arts Legislation Amendment Bill 2000 makes a series of minor but nonetheless important housekeeping amendments to a number of pieces of legislation. They have been outlined in the second reading speech, and I will not go over them again. 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.

AGRICULTURAL AND VETERINARY CHEMICALS LEGISLATION AMENDMENT BILL 2001

Second Reading

Debate resumed from 3 April, on motion by Senator Ian Campbell:

That this bill be now read a second time.

Senator FORSHAW (New South Wales) (12.52 p.m.)—I indicate on behalf of the opposition that we will be supporting passage of the Agricultural and Veterinary Chemicals Legislation Amendment Bill 2001. The bill is legislation that is required to overcome some problems that have arisen as a result of the High Court’s decision in R v. Hughes. That case is quite well known to many members by now because, in that decision, the High Court found that there were situations where it was not necessarily constitutionally valid for Commonwealth officials and authorities to exercise powers and functions that may have been referred to them by the states. That has led to the necessity to amend this legislation—and I understand other pieces of Commonwealth legislation—to overcome that difficulty. The High Court decision is more detailed than I have just outlined, but this bill—as we are advised—will clarify the situation so that, where Commonwealth officials and authorities do exercise powers that have been referred by state jurisdictions, they will have Commonwealth authority to do so.

I would indicate that, on the basis that the legislation seeks to correct deficiencies arising from that case—and also to correct some other difficulties that have been discovered as a result of examining the legislation following the Hughes case—we are happy to support this bill. It is a technical bill in nature, and we support it.

Senator PATTERSON (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Par-
I would like to thank Senator Forshaw for his contribution. As he said, the Agricultural and Veterinary Chemicals Legislation Amendment Bill 2001 addresses the implication of the High Court’s decision in the Hughes case, which cast doubt on the duties, functions and powers of the Commonwealth authorities and officers within the National Registration Scheme for Agricultural and Veterinary Chemicals. The roles played by Commonwealth authorities and officers are critical for the effective operation of the scheme. It also addresses legislative gaps which have been identified in the conferral of state functions on Commonwealth authorities under the national registration scheme arising independently of the implication of Hughes.

The overall aim of the bill is to ensure the validity of the actions of the Commonwealth authorities and officers under the scheme as it presently exists. It does not make any substantive policy or operational changes to the scheme. It is supported by all states and territories. Corresponding state laws which validate the past actions of the Commonwealth authorities and officers will be enacted following the passage of this bill. Together these Commonwealth and state measures will ensure the national registration scheme continues to operate in a stable legislative framework, and delivers safe and effective usage of agricultural and veterinary chemicals. I commend the bill to the Senate.

Question resolved in the affirmative.

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

Sitting suspended from 12.57 p.m. to 2.00 p.m.

QUESTIONS WITHOUT NOTICENoise Small Business

Senator SCHACHT (2.00 p.m.)—My question is to Senator Alston, representing the Minister for Small Business. Can the minister confirm that, while the big end of town is delighted with Mr Costello’s budget, the Council of Small Business Organisations of Australia is so appalled with it that its CEO, Mr Rob Bastian, is recommending a fighting fund to address the issues of compliance costs for small business? Is the minister aware that Mr Bastian told the ABC that the budget meant that small businesses could now afford to buy a truck to ‘cart round the paperwork’? Why did your budget favour the big players but leave millions of small business people in the lurch?

Senator ALSTON—If Senator Schacht is asking me whether I saw that performance on the 7.30 Report last night then the answer is yes. If that is what he said, I didn’t hear him make that reference to buying a truck to cart paperwork around. I did hear him use fairly extravagant language purporting to speak on behalf of every small business in Australia, saying they were all appalled. I must say that I would like to see the detail of that. That is not the experience we have.

Senator Cook interjecting—

Senator ALSTON—I think he is on your advisory council, too. We accept that there are still some small businesses that have difficulties in compliance and generally in surviving. A number of small businesses do go to the wall each year. But to the extent that they have problems with compliance and paperwork, there are plenty of opportunities available for them to get advice on those matters. Of course, if you ask what small business got in the budget, it got the lowest small business interest rates in 30 years.

Senator Schacht—Is that why they’re going broke?

The PRESIDENT—Order! Senator Schacht, you have asked the question and it is not appropriate to debate it during the minister’s answer.

Senator ALSTON—They benefit hugely in the reduction in the corporate tax rate down to 30%; they got full input tax credits on the purchase of new cars and trucks for business use, which of course is a very valuable concession and one that I think they would be very pleased about—certainly cutting business costs by $670 million; and the abolition of a raft of other taxes. I suspect small business will be really interested not just in a quick grab on the 7.30 Report but in tangible alternative approaches and policies we get tonight. They will not be interested in
a general waffle, which we have had for the last five years, from the big tucker man. They will be looking for some real substance in the policy area. They will be looking forward to hearing precisely what you would do for small business. They won't be saying, 'We'll make things fairer. We'll make things easier. We'll guarantee you'll earn a living.'

They will actually want to know what alternative policies you have. We've been out there; we've done the hard work. We have put the budget on the table, and this is a very big chance for Mr Beazley to show the colour of his money.

There are a whole raft of areas, but if we just take small business, let us see what Labor's alternative is. For example, do they support all the initiatives contained in the budget on Tuesday night for small business? We do not know. You never hear boo out of them. Whenever there is good news around, they are hiding. They are out desperately trying to find some bad news, something at the margin that might throw doubt on the obvious benefit of the initiative itself. I think they are really waiting for tonight. They are not particularly worried about some of the rhetoric that gets thrown around. They are interested in substance, and you will have a very big chance to deliver this evening.

Senator SCHACHT—Madam President, I ask a supplementary question. Does the minister agree with Mr Bastian in today's Daily Telegraph on page 5 that what small business is suffering at the moment is a huge transfer of responsibility from the public sector to the private sector, which lands disproportionately on small business? What is the government's estimate of the overall additional cost to Australian small business to carry out Mr Costello's tax collection?

Senator ALSTON—Yes, we delivered in spades in both the communications and IT sectors. One hundred and sixty-three million dollars, in response to the Besley report, is not small beer.

Honourable senators interjecting—

Senator ALSTON—It ought to be very easy to tick off on it tonight, so we will see where you stand on that. Of course, $2.9 billion for innovation is mega, so again that is a bigger challenge—I understand that—but you ought to be able to tick off on that as well. There are a number of other benefits. Of course, the ABC got another $71.2 million—and just remember that that amounts to almost $100 million in real terms more than the ABC got when the Labor Party was last in government. The amount that they got in response to their request for regional and rural services is the first time they have got money outside the budget process—outside the triennial funding program—in about 16 years. On a whole range of fronts, we have delivered.

What is the alternative? We put our blueprint on the table two days ago, so tonight is a very big night for Mr Beazley. Eighteen months ago, he was out there saying that he
was going to surf to office—do you remember that? He has been treading water ever since, and I suspect that tonight he will have a sinking feeling after yet another waffled performance. The public do not want to find out how many times you can use the word ‘vision’ in a half-hour speech—they actually want to see what your alternative budget looks like. There are 19 million Australians out there—they all have a sense of vision and direction. Put up your hands all those in favour of a better health system, a better education system and a better welfare system. That is not policy; these people are paid to do the hard yards—

*Honourable senators interjecting—*

**The President**—Order! The level of noise in the chamber is unacceptable.

**Senator Alston**—The public expect Labor to do the hard yards. They expect that, over the last five years, they have actually spent a bit of time working out serious policy alternatives.

*Honourable senators interjecting—*

**Senator Faulkner**—Even you should be able to administer 30 public servants.

**The President**—Order, Senator Faulkner! A conversation has been going on across the chamber, which is disorderly.

**Senator Alston**—More than two years ago, Mr Beazley went on 3AW and said, ‘I’m going to lay out our vision for what Australia should be in the next century.’ More than two years ago, he went to CEDA and he gave the big-vision speech. So what are wasting time on tonight—‘re-vision’? It must be a very small vision if you have to revise it every couple of years. What we are now told, of course, is that Labor cannot put any policies on the table because they cannot be sure of the numbers—‘We have looked at compensation arrangements for roll-back; when the election gets called, we will be in a position to talk about it.’ I hope this is right—I hope we are not going to get a single policy until the election starts, because I can assure you that it will be a mile too late by then.

Mr Crean says, ‘When we’re confident about the costings and details, then you’ll see the detail on dollars.’ Mr Beazley says, ‘The effect of the fiscal position will not determine our policy but the pace at which it is introduced.’ What that is saying is: ‘We’ve got the policies in the bottom drawer—we said last November we were ready to go to an election—so we know what the policies are.’ Mr Beazley says, ‘If there isn’t enough money left, we might have to string it out a bit longer.’ Let us hear it now—let us deliver it.

If all this nonsense about how things change over time is correct, why should a policy announced in the campaign period be taken seriously? Things change. It is just another excuse to get into government and say, ‘Gosh, we never suspected.’ Wake up! We had to face up to that in 1996. We got there—we found that $10 billion black hole that even Senator Cook now acknowledges, and of course we had to fill it. But we did not fill it by welshing on our promises—we did not renege on our policies—we actually cut costs, which is much harder to do. We were prepared to get out there and announce policies, not knowing what you had done to the books. You know what the books look like—you saw them on Tuesday night. Nothing has changed in two days. You are in a position to release an alternative budget blueprint. Do not just seek the title of world champion waffler. If your bloke has any substance, he ought to be able to deliver. *(Time expired)*

**Distinguished Visitors**

The President—Order! I draw the attention of honourable senators to the presence in the President’s Gallery of a parliamentary delegation from the Republic of Korea led by Mr Lee Kang-Too. On behalf of honourable senators, I welcome you to the Senate. I trust that your visit to this country will be informative and enjoyable.

*Honourable senators—Hear, hear!*

**Questions Without Notice**

**Education: Funding**

Senator Carr (2.12 p.m.)—My question without notice is to Senator Ellison, representing the Minister for Education, Training and Youth Affairs. Why has the government
increased spending for non-government schools in this budget by $1.1 billion? Why is the government providing $300 million more to non-government schools than it estimated 12 months ago?

Senator ELLISON—Government schools will get the lion’s share of funding in this budget. You simply have to look at the figures to see that this government is totally committed to the funding of the government school sector. In fact, we believe in a very strong government schooling sector as well as a strong non-government school sector so that parents can have a viable choice as to which schools they will send their children to. I think that is something which is widely supported throughout the Australian community.

In this budget, an estimated additional $238 million over four years, or 87 per cent of total funding for specific schools initiatives, will go to government schools. This builds on the Howard government’s commitments to government schools that have seen Commonwealth funding grow by almost 42 per cent between 1996 and 2002. That is an increase of funding for government schools of 42 per cent over what Labor funded government schools when it was last in office, in 1996. Across the board, there will be a six per cent increase in funding for Australia’s schools, from 2000-01 and 2001-02, and that continues record levels of funding for schooling in this country.

Additional spending will support the government’s drive to improve levels of literacy and numeracy for all students and to provide the 70 per cent of Australian students who do not go straight onto university with the curriculum they need to forge successful careers. It is very important that we concentrate on that 70 per cent of Australian students who do not go on to university, and therefore we have to equip them with the necessary skills so that they can advance themselves further.

Over the next four years, the Commonwealth will spend a new high of $26 billion on Australian schools in recognition of the importance of education to Australia. There is a whole range of initiatives which Senator Carr needs to look at, and this range of initiatives demonstrates the total commitment that the Howard government has to both government and non-government education in this country.

We have $143 million over four years to strengthen government schools through the reinvestment of savings under the enrolment benchmark adjustment. That is good news for government schools. There is $34 million over five years to support online curriculum development, giving Australian schools access to world-class curriculum materials. There is just under $37 million for literacy and numeracy funding over 2002-03. Literacy and numeracy have been widely recognised as essential parts of education in this country and the parents of Australia want them and they want them funded, and we are doing that.

Over four years, just under $10 million will go to the Enterprise and Career Education Foundation for extra work placement coordinators to work in remote parts of Central and Northern Australia to enable young people to gain workplace skills while still at school. This will largely go to students at government schools, and it recognises the need that we have in regional Australia to equip our young Australians with the ability to go on and forge a career for themselves. This just under $10 million is on top of almost $100 million announced for the Enterprise and Career Education Foundation at its launch in March. This of course followed recommendations by the youth pathways task force. There is also some $46 million over four years to assist up to 70,000 young people moving from school to further education and training or work through the Jobs Pathway program. This targets those students who really do need that bridge from schooling to work and training. Again, a majority of these students will be in the government sector. These are all initiatives which will benefit all young Australians. (Time expired)

Senator CARR—Madam President, I ask a supplementary question. I would like to bring the minister back to the question. I ask him again: can the minister explain why non-government schools will be enjoying an additional $1.1 billion, while government schools will be restricted to an alleged in-
crease of $238 million? Can the minister confirm that the alleged increase in public school funding comprises in part a redirection, already announced, of $147 million from the EBA? Doesn’t this once again prove that this government is totally biased towards the non-government schools at the expense of public education?

Senator ELLISON—Senator Carr knows full well that the states and territories have primary responsibility for the funding of government schools. The record of the Howard government stands out when you look at the increase of funding to government schools that we have devoted in previous budgets and in this budget.

Senator Carr—Why $1.1 billion extra?

The PRESIDENT—Senator Carr, you are shouting.

Senator ELLISON—This government is leading the way in financial support for government schools. Government spending on government schools from the Commonwealth sector is at its highest level ever—much greater than when Labor was last in power.

Car Manufacturing Industry

Senator CHAPMAN (2.18 p.m.)—My question is directed to the Minister for Industry, Science and Resources. Will the minister advise the Senate how the budget will boost Australia’s car manufacturing industry, creating further jobs and investment? Is the minister aware of any alternative policies?

Senator MINCHIN—I thank Senator Chapman for his very good question. This budget is fantastic news for Australian car manufacturers, and indeed the Australian newspaper summed it up well today with its headline, ‘Cars on top of Budget winners,’ which does great credit to that newspaper. Our decision to allow business to claim full GST input tax credits on their vehicle purchases is going to save Australian business $670 million a year and mean additional throughput for the car industry of about $1 billion a year. It means a business buying a $35,000 car today will save $3,200 in tax.

Almost half the cars sold in Australia are business purchases—70 per cent of those are Australian made and 70 per cent of Australian made cars are bought by business. It is very good news for Australian car makers. The industry itself expects car sales to rise to near record levels as a result of this decision. It is going to mean an extra 40,000 car sales a year alone. Of course, it is not only the car manufacturers and their workers who benefit: component suppliers, car dealers and every business—large and small—that buys cars are going to be winners out of this decision by the government.

This decision simply highlights the benefits to Australian car manufacturing from our overall tax reforms. The single biggest winner out of our abolition of Labor’s 22 per cent sales tax is the Australian car industry. It is to the eternal shame of the Labor Party that they tried to stop us removing that 22 per cent tax on cars. Just this morning, we had one of the Labor Party’s trade union bosses—Senator Peter Cook’s very good friend Doug Cameron of the AMWU—threatening to campaign against the government and its record on manufacturing in marginal seats, which of course terrifies us! Mr Cameron should be campaigning against the Labor Party. He does campaign against Senator Cook, but he should campaign against the whole Labor Party, because it was Labor that voted to retain the 22 per cent tax on Australian made cars. By abolishing that Labor car tax, we have done more for Australian car manufacturing than Labor ever did in its 13 years in office. Cars are much more affordable under us than they ever were under Labor. The budget decision is particularly good news for Mitsubishi in Adelaide, which is working very hard to secure long-term support from its Japanese parent. I note that 75 per cent of the Australian made Mitsubishis go to fleet purchasers.

As a South Australian senator, I was stunned to see another South Australian senator, the Democrats new leader, come out and—and I quote her—condemn our decision to support the Australian car industry so strongly in this budget. South Australia is clearly the state that is the biggest winner from this decision, and Senator Stott Despoja
had the hide to oppose this magnificent decision. All South Australians should condemn Senator Stott Despoja for her failure to support a measure which will be an enormous boost to the car industry in South Australia, the state that she represents in this place. Our budget decision on tax credits for car purchases shows demonstrably that it is the coalition, not Labor or the Democrats, which is really standing up for Australian car manufacturing.

Senator CHAPMAN—Madam President, I ask a supplementary question. I thank the minister for his answer. Would the minister also explain the benefits to our environment of the updating of the Australian car fleet which this tax concession will allow?

Senator MINCHIN—The one thing that really is demonstrable about what we have done to improve car purchasing in this country is that more and more Australians can buy new cars. While Senator Bolkus, who is absent today, is running around trying to buy green votes, we are doing something to ensure that Australian cars are much more environmentally efficient. The newer the car fleet the better it is for the environment. By making cars much more affordable with our tax reforms, it means that Australians are driving safer, more environmentally friendly cars. It is a policy Labor should have supported instead of doing everything it could in this place to oppose it.

Accrual Accounting

Senator LUNDY (2.23 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. I ask the minister whether he can confirm that Treasurer Costello, in his budget speech last year, stated:

This Budget is presented on an accrual basis for the first time. It allows us to properly budget for future expenditures. This puts Australia at the forefront of transparency in the conduct of fiscal policy.

Does the minister agree with Mr Costello that accrual accounting offers a more transparent picture of Australia’s fiscal position than other methods, such as cash accounting? Could the minister inform the Senate of the size of the projected fiscal balance based on accrual accounting for 2001-02?

Senator KEMP—I thank Senator Lundy for that question. We are always happy to get questions from Senator Lundy. As a preliminary comment, today is a very big and important day in this parliament. Today we are going to hear the alternative policies of a proposed Labor government. Today Mr Beazley is going to outline, we hope, for the public just what his policies are. Mr Beazley has indicated that he wants to lift spending—

Senator Sherry interjecting—

Senator KEMP—Getting a bit sensitive, Senator? You know it is coming, but just hold on. Tonight is a very important night. Mr Beazley is going to be announcing the alternative policies. A lot of us want to know what roll-back is. Are we going to hear what roll-back is? We have had a lot of discussions in this parliament about roll-back. We want to look at the areas where Labor is going to lift spending. Where does Labor propose to lift spending? Does Labor propose to lift spending in the areas of education? Does it propose to lift spending in the areas of health? We want to have it fleshed out. Will the Labor Party have a larger surplus? That is one of the statements that have been made. One of the most important things to come out today was a statement by Senator Stephen Conroy. I have to say that I have not always accused Senator Stephen Conroy of being up-front and honest.

The PRESIDENT—Senator Kemp, I would draw your attention to the question that you were asked.

Senator KEMP—Madam President, the comments are very relevant. I do not know whether it was on purpose or whether Senator Conroy wanted to gain more press or wanted to, in a sense, pre-empt what Mr Beazley was prepared to say tonight, but Senator Conroy said—

Opposition senators interjecting—

The PRESIDENT—Order! I have drawn the minister’s attention to the question. He has claimed that the statement he is making is relevant, and I am listening very carefully to it.

Senator Lundy—Madam President, I was going to raise a point of order on relevance and remind Senator Kemp that he has 1½
minutes with which to answer the question that I asked, and I ask you to draw his attention once again to the question.

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

Senator KEMP—Madam President, the short answer to the question that was raised by Senator Lundy is on page 1-3 of Budget Paper No. 1.

Senator Lundy—What is it? Say it.

Senator KEMP—Senator, you are more than capable of reading.

The PRESIDENT—Order! Senator Kemp, your answers should not be directed across the chamber to the senator, and you should be answering the question that she has asked.

Senator KEMP—Madam President, I have referred Senator Lundy to where the matters are in the budget papers. I am prepared to do a great deal of work on behalf of this government. I am even prepared to do a bit of work on behalf of Labor. But I am not Senator Lundy’s research assistant.

Senator Sherry—You don’t know the answer.

Senator KEMP—It is on page 1-3 of Budget Paper No. 1. That is the answer. But let me get back to the substantive point—which I think is very relevant to discussions on budget surpluses. It was reported today that: ‘Australia’s opposition Labor Party may raise taxes to fund its election promises if it wins power at the poll due next year,’ the party’s financial services critic, Senator Conroy, said today.

Time is on the wing—but, if Senator Lundy would like any more information on that, could I please have a supplementary question?

Senator Lundy—Madam President, I ask a supplementary question.

Senator KEMP—Madam President, I have referred Senator Lundy to where the matters are in the budget papers. I am prepared to do a great deal of work on behalf of this government. I am even prepared to do a bit of work on behalf of Labor. But I am not Senator Lundy’s research assistant.

Senator Sherry—You don’t know the answer.

Senator KEMP—I referred Senator Lundy to the specific page in the budget papers. The point I was making to Senator
Lundy is that she is quite capable of doing her own research. On the point of order, Madam President, I want to draw your attention to the fact that, every time a minister stands up to answer a question, they are subject to constant abuse from Senator Faulkner. This has gone on for a considerable period of time. No-one on this side has complained about it, but I think the time has come for Senator Faulkner to be brought to order so that ministers are able to answer questions without being diverted.

The PRESIDENT—Order! The point of order raised by Senator Faulkner related to the answer to the question. The answer should be given to the supplementary question that was put to the minister.

Senator KEMP—Thank you, Madam President. I have made the point that I am not the research assistant of Senator Lundy, and I have drawn her attention to the specific page in Budget Paper No. 1. But I have also drawn to the attention of the Senate that Senator Conroy has made the big statement of the day, the most important statement of the day. I go on record as saying that this may well be the subject of taking note of answers after question time, if the Labor Party wishes to join the debate.

Lucas Heights: Nuclear Reactor

Senator STOTT DESPOJA (2.33 p.m.)—My question is addressed to the Minister for Industry, Science and Resources, Senator Minchin. Is the minister aware that appendix 2.2 of the initial contract between Cogema and ANSTO is most explicit that $U_3Si_2$, or silicide fuel, is not acceptable? Given that the minister stated to the chamber on 27 March that the government had ‘introduced a proper process for managing spent fuel rods in this country’ and has also said that ‘ANSTO ... has instituted a proper process for dealing with spent fuel rods that involves them being reprocessed at Cogema’ and that ‘the contract involved is between ANSTO and Cogema’, does the minister really believe, and is he confident, that there are proper contractual arrangements in place for handling Australia’s nuclear waste when the appendix to the contract does not actually allow for the very form of nuclear waste that is being shipped from Lucas Heights?

Senator MINCHIN—It is extraordinary that Senator Stott Despoja, when she became Leader of the Democrats, decided to keep responsibilities for science when she spends most of her time attacking Australia’s premier science facility—the nuclear reactor at Lucas Heights—and attacking the biotechnology industry, which is our leading industry in the science field. Today she continues her attack on ANSTO and the question of reprocessing of spent fuel rods. We are the government that came in and said, ‘We’re going to put in place a proper management strategy for the reprocessing of spent fuel rods from the Lucas Heights reactor.’ The previous government had a strategy of leaving the spent fuel rods lying around at Lucas Heights. We are the ones who put in place a proper strategy, and that strategy involves the non-US origin spent fuel going to Cogema. I visited Cogema and saw the first shipment of Australian spent fuel rods. I inspected the Cogema facilities, and they are world class. It is an extremely good contract and a much better way of dealing with our spent fuel rods than was ever in place before. It is a great credit to this government that we have provided ANSTO with the funds and the capacity to ensure the proper treatment of those spent fuel rods.

The shipments have already been sent to Cogema. Despite the best efforts of Greenpeace to interrupt the spent fuel rods being dealt with in the proper way by Australia, we have ensured that the spent fuel rods can get into the Cogema facility to be reprocessed, with the waste being returned to Australia to be properly dealt with by this government’s determination to have proper waste management facilities. We will not leave radioactive waste sitting around in the basements of hospitals and universities, as the Labor Party and the Democrats seem to insist on doing by opposing, at every step, our determination to put in place proper waste treatment facilities in this country.

The question of what future fuel sources will be available for the new reactor remains to be seen. As we have said, there are two fuel types. The fuel type that was set down
for all the reactor proponents is the one we expect to be available and, because of its low enrichment characteristics, it is the one we all want to use. We have ensured that that fuel can be dealt with and reprocessed either by arrangements with Cogema or by arrangements with INVAP. Remember that we have ensured that we will not have high enrichment fuel. One of the benefits of the new reactor is that it will use low enrichment fuel that can be reprocessed either by our arrangements with Cogema or by our contractual arrangements with INVAP.

Senator STOTT DESPOJA—Madam President, I ask a supplementary question. I thank the minister for his answer, and I am glad that he is confident that there is a management process in place. I ask again: is the minister aware that ANSTO has given advice to the Senate, claiming, ‘We have an agreement with Cogema that they will take certain amounts of silicide fuel,’ and, ‘We have a contract with Cogema in relation to the handling of certain amounts of silicide fuel’? How does the minister reconcile such advice from ANSTO when the appendix to the contract explicitly states that silicide fuel is not acceptable and when the minister has failed to identify whether or not that appendix to the contract stands? Can the minister reconcile that advice, when silicide fuel is apparently not acceptable according to the contract between Cogema and ANSTO?

Senator MINCHIN—I have made it clear that, as far as the government are concerned, there are proper arrangements in place to ensure that that fuel can be dealt with either through Cogema or through our very explicit arrangements with INVAP. Through the President’s meeting with me in Buenos Aires recently, the Argentinian government has personally ensured the fuel can be taken into Argentina and dealt with adequately. We have ensured that we have reprocessing arrangements in place, either through Cogema or INVAP, that will ensure that Australia can acquire a brand new nuclear reactor for Australia, which is essential to medical facilities as well as for scientific research in this country.

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the President’s gallery of a parliamentary delegation from India, led by Mr Pramod Mahajan. I welcome you to the chamber. I trust your visit will be enjoyable and worth while, and you are most welcome.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Pensions: Payments

Senator GIBBS (2.39 p.m.)—My question is to Senator Vanstone, the Minister for Family and Community Services. Why hasn’t the one-off $300 payment to age pensioners been extended to disability support pensioners and those on carers payment, who struggle to survive on fixed incomes of less than $200 per week, while paying the GST on life’s essentials and unique expenses like wheelchair repairs?

Senator VANSTONE—I thank the senator for this question. You appear to be under a misunderstanding about this payment. It is a payment to recognise elderly Australians. It is not to be seen as a pension benefit that will go to all pensioners but as a pension benefit that will go to the elderly. People of pensionable age get either this payment or other tax benefits, depending on their situation. This payment is a recognition of the needs of the elderly. It is not to be seen as an uplift in pensions generally; it is a payment specifically targeted to the elderly—to the aged.

Senator GIBBS—Madam President, I ask a supplementary question. Does the minister recall the Treasurer stating in his budget speech that the Howard government proposes to pay a one-off $300 to age pensioners because ‘the economy can benefit from it, the budget can afford it and, most of all, our older Australians deserve it’? If this is truly an affordable and beneficial measure, as the Treasurer claims, does the minister really believe that carers and people with disabilities are undeserving?

Senator VANSTONE—This is not a university debating chamber. The payment is clearly described as a payment to elderly Australians. There is no suggestion that in any moral sense one group of people is better
off than another. It is simply an acknowledgment that elderly Australians have played a tremendous role in building this country. Everything we enjoy today is, in part, a function of what they have done in the past, and the payment is targeted to them. Incidentally, I thank your party for its support of it. If your leader is going to announce something different tonight, I will listen with interest.

**Families: Budget**

Senator HARRADINE (2.43 p.m.)—My question is to the Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women. Could the minister explain the virtual absence of specific new measures in the budget to remove disincentives to parenting? Could she point to any new measures to make it easier for women to combine work and family responsibilities? How does the minister respond to criticism that the budget is not family friendly and does nothing to address the impediments to family and the serious decline in fertility rates, which are now well below replacement level in Australia?

Senator VANSTONE—Can I respond to your question in a number of ways. First of all, I think it is important to highlight that general economic management is very important to families and their capacity to have as many children as they might choose to have. It is not always a function of specific measures. For example, and I will just give one because there are other things I want to move on to: an economy where interest rates are low means that low income families can more quickly pay off their mortgage. Families with a mortgage of, say, $100,000 are thousands of dollars better off a year as a consequence of good economic management by this government. Low interest rates put more money in their pockets because they are not paying off the bank, and that means they have more disposable income to use on a variety of things. I make the general point first that it is not only budget specific measures that help families. Good sound economic management in a whole variety of ways helps them. It helps the main breadwinner or both to keep their jobs, for example, and all of these things impact on fertility.

Senator Harradine asked for a specific measure in this budget: if I look back over all the things that this government has done for families, I see that, because of the changes we have made in relation to family payments, families are some $40 a fortnight better off—those changes were made in the previous budget, I acknowledge. I wonder whether we can address families in every budget to the extent that we did last time, because the last budget was a tremendously family friendly budget.

But I can think of one initiative, Senator—and I feel sure there will be more in other portfolios. But in my own portfolio there is more funding for child-care places. This is of great assistance to families who want to combine parenting with the opportunity to maintain their own skills and perhaps earn money in the workplace because they want to give more materially to the children that they have. More child-care places present that opportunity.

You referred to the declining fertility rates in Australia. I am not sure that that is something governments can entirely change, although measures they make have an impact on these things. A report released in April this year showed that we had a fertility rate of 3.6 in 1961, 1.75 in 1999 and the replacement fertility rate is 2.1. So in that sense we have a very low fertility rate but not dissimilar to that in a number of other developed Western economies.

The last point I would like to make is just a personal view that I have in relation to fertility. There might be a number of explanations vis-a-vis government policies over a long period of time, but I think certainly my generation realise that their parents did everything they could to give their children more than they their parents had, and they want to be able to do the same for their children. I think some people are choosing to have fewer children so that they can actually give those children more in a material sense. You may not share that view; you may not think it is an appropriate view for parents to have; but I believe they do. Some people make a decision that they will have two children instead of four because they might want to send them to a private school; they might
want to do a whole range of things for them. They make a conscious decision to limit the number of children they have so that they can do for them materially what they want to do. (Time expired)

Senator HARRADINE—Madam President, I ask a supplementary question. I did not understand the relevance of the minister’s latter response to my question regarding the wish to have more children or fewer children. For example, how often do we hear young working women saying, ‘I cannot afford to have a baby’—their first baby—because when they have their first baby they lose not only their income but also the ability to accumulate superannuation for their retirement.

Senator VANSTONE—I would just draw your attention to the last budget where some changes were made that facilitate families in that respect. If you look at family tax benefit part A and B, that is specifically there to acknowledge the individual single income families in that sense. You say, Senator, that people say to you they cannot afford to have children, and I hear some people say that too, but the plain facts are that materially we are much better off. We have a materially wealthy society compared with what we had before. Yet still people say that they do not feel better off, and that is because we have rising material aspirations. When I was at school, a Derwent set of pencils was everything; now it is a colour monitor, Nike shoes, the Nintendo game—the whole lot. Material aspirations have risen to the point that families, in order to cater for those material aspirations—this is a personal view—are choosing to have fewer children.

Science and Innovation

Senator McKIERNAN (2.50 p.m.)—My question is directed to the Minister for Industry, Science and Resources. In regard to that last question, I might just add that my daughter-in-law has delivered Sean Graeme some 3½ hours ago. Both are well. Given that the minister yesterday told the Senate, ‘The government has backed science more strongly than any previous government,’ can he explain why the Executive Director of the Federation of Australian Scientific and Technological Societies, Mr Toss Gascoigne, said that the budget was a wasted opportunity which sees Australia in danger of becoming internationally irrelevant and that ‘we feel that the budget fails the modern economy test’?

Senator MINCHIN—I appreciate the question, and I congratulate the senator on becoming a grandfather for the first, second, third or fourth time—whatever it is. The question raises the issue of the government’s commitment to science and support for science. I am delighted to have the opportunity to remind the Senate of this government’s enormously strong support for science and innovation in this country. We started from a base of about $4.5 billion which was this financial year’s commitment to science and innovation. As a result of our package of innovation measures in Backing Australia’s Ability in January of this year, we will have an increase in funding of $2.9 billion over five years. This means that, by the fifth year, commitment to science and innovation in this country will be $1 billion higher per annum than it is now.

We are ramping up the spending over five years, consistent with the budget’s capacity to provide that investment. We are not going to throw money around like confetti, like our predecessors did. We are not going to allow the budget to go into deficit. We are only going to spend money that the nation can afford. The nation can afford an additional $2.9 billion over the next five years as a result of our outstanding economic management and reducing Labor’s $96 billion debt and reducing their bankcard. That means that we have got another $4 billion a year available that they had to spend on interest payments.

I am disappointed in what Mr Gascoigne has had to say. I note for the record that he is a failed Labor candidate, but I would not want to imply that anything he said is of a partisan nature. Of course, every lobby group will always say that whatever they get is not enough and that they should have more money. He is employed to go out and call for more money for science. So he has to earn his money. Inevitably, in campaigning for whatever constituency he has, he has got to say that whatever we give is not enough. It
would not matter what extra money we contributed to science, someone in his position—and knowing his background—I guess would say, ‘It’s not enough.’ But it is the most substantial package of measures ever put forward by any Australian government to enhance spending on science and innovation in this country.

The budget this year for science and innovation is $4.7 billion—a record amount in dollar terms by any Australian government. It is an increase this year of $311 million on science and innovation; it is an outstanding result. Backing Australia’s Ability was warmly welcomed by Australia’s science community when it was announced in January. I remind the science community that the opposition which asked this question are threatening to destroy the jobs of 800 scientists and their support staff at the Australian Nuclear Science and Technology Organisation. They refused to support our commitment to building a new research reactor. That means that you would have to close down the whole of ANSTO, sack all 800 workers at that organisation, destroy one of the most important scientific facilities this country has. If they do not think that, they should stop playing politics with this important science facility.

Senator McKIERNAN—Madam President, I have a supplementary question. I thank the minister for his answer and for his good wishes. In the light of his answer, how is spending being ramped up, given that the Howard government’s commitment to science and innovation as a percentage of GDP has dropped from 0.75 per cent in 1995-96 to 0.68 per cent in 2001-02. Isn’t Mr Gascoigne absolutely correct when he stated:

They had a great chance here to capitalise on the initiatives which were announced earlier this year, and they failed to do so.

Didn’t the minister mislead the Senate yesterday when he stated that his ‘government backed science more strongly than any previous government’?

Senator MINCHIN—The fact is that this year’s spending of $4.7 billion is the highest spending ever by any Australian government on science and innovation. The government can take great credit in that commitment to science and innovation. We announced back in January the spending profile of the $2.9 billion extra that we are putting into science and innovation. We made it abundantly clear then that it would ramp up over the five years. In the first year it would be about $160 million, because that is what the nation can afford. Unlike our opponents on the other side, we are only going to spend on the basis of what we can afford. We are not going to drive this budget into deficit. The money does ramp up over five years to be, as I said before and we said in January, $1 billion extra by the fifth year of this program. That will be the starting point for the next five-year program that our government will introduce when the current five-year program expires.

Disability Advocacy Groups: Funding Agreements

Senator ALLISON (2.56 p.m.)—My question is to the Minister for Family and Community Services, Senator Vanstone. Can the minister explain why it is that disability advocacy groups have to sign funding agreements which force them to give the department 24 hours notice of any public statement, to give the department a copy of any submissions they make two weeks in advance, and to allow the department the right to vet any document published by that group?

Senator VANSTONE—Senator, the short answer to your question at this point is: no, I cannot tell you that. I will make some inquiries and get back to you as soon as I can.

Goods and Services Tax: Caravan Parks

Senator FORSHAW (2.57 p.m.)—My question is directed to Senator Vanstone, the Minister for Family and Community Services. Why has the government refused to listen to the 161,000 Australians who live permanently in manufactured home parks or caravan parks? Why is the government continuing to discriminate against these people by allowing the GST to be imposed on their rent? Aren’t these 161,000 Australians absolutely justified in believing that the Howard government is ‘mean, tricky and out of touch’?
Senator VANSTONE—The short answer to that question is: no, they are not. This is an issue that has been raised by a number of people. I know there are differing views on it. With the greatest respect for the length of the period of time that you have been lucky to be here, you should have understood that your question is more properly directed to Senator Kemp.

Senator FORSHAW—Madam President, I ask a supplementary question. Isn’t it the case that the government has only given a choice to the mobile home park owners as to whether or not they apply the GST to site fees and that it has given no choice at all to the residents? Why is it that, out of all those Australians who live in rented premises, only residents of mobile homes have been singled out to pay GST on their rent?

Senator VANSTONE—Senator, I did say that you were very lucky to be here, and the fact that you have asked a question again to the wrong person only confirms that for me. If you are asking a GST related policy question, you know very well, and all your colleagues know very well, that you should be directing them to Senator Kemp.

Social Security: Welfare Payments

Senator BARTLETT (2.59 p.m.)—My question is to the Minister for Family and Community Services, Senator Vanstone. I refer the minister to the significant increase in the last 12 months in the number of people who have had their income payments cut as a consequence of being breached by Centrelink. Given that the budget contains a significant extension of mutual obligation, how much of the anticipated $923 million in savings in the welfare package is expected to come through the breach of welfare recipients? Can the minister guarantee that there will not be a further increase in the already large numbers of people having their payments cut as a result of the extension of the compliance requirements of mutual obligation?

Senator VANSTONE—There is a very short answer to that question, and it is no. I will tell you why, because I think you deserve a longer answer with respect to this. This government believes that Australians are extremely generous. They want welfare payments to go to the people in need and they want them to get there quickly. I tell you what they do not want. They do not want overpayments and they do not want payments to go to people who are, in one form or another, manipulating the system to get more.

The government stand proudly behind our compliance record, because we want to make sure that welfare goes to the needy and not to the greedy. It is an enormous expenditure—billions and billions of dollars. It is not expenditure of government money; it is taxpayers’ money, money that someone who has got a job cutting sandwiches or pushing a spanner has paid in taxes and entrusted to the government to spend. They have worked hard for that money and they want us to spend it carefully. In a big budget item like welfare, they do not want us to say, ‘We’re not going to bother with compliance; we hope it will be okay.’ If you think they want that attitude, I think you are mistaken. We certainly do not accept that. I cannot guarantee whether the number of compliance breaches will go up or down. As many people who are found breaching will be dealt with.

Senator BARTLETT—Madam President, I ask a supplementary question. Is the minister aware of research into homeless people by the Hanover organisation which found that significant numbers of people are currently having their payments cut due to breaching despite being in a situation of housing crisis? What will the government do to ensure that breaching actions by Centrelink, the number of which may even be increasing over the current very high levels, do not contribute further to homelessness amongst the very group of people they are meant to be assisting?

Senator VANSTONE—Senator, if your question is particularly focused on breaching with respect to people who are in particular need—that is, people who, despite the income limits, have some other need, like homeless people or others that we might list—I have a particular interest in that area. I have had discussions with the department and with Centrelink, and I think we can make some improvements in how we have
been doing that. As soon as I am ready to announce the detail of that, I will be sure to contact you, now that I know you have that interest. We will not walk away from compliance, but I do understand that, with respect to people such as the homeless, there are particular things that need to be taken into account. I cannot guarantee you that in the past that has always been done as it should have been, but I can tell you that Centrelink and the government are committed to making some changes in that area to ensure that, as quickly as possible, people who might otherwise be breached who have some special need are dealt with more sensitively. I will get back to you as soon as we have finalised that.

**The PRESIDENT**—Senator Sherry. Senator Hill.

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

Opposition senators interjecting—

**The PRESIDENT**—Order! Senator Hill has asked for question time to end. It is past the time. I thought Senator Sherry was on his feet first. Senator Hill may have been, and I did not see him. Question time normally ends after one hour.

**Senator Faulkner**—Madam President, I assume that means you are ruling against my point of order.

**The PRESIDENT**—I am.

**Senator Faulkner**—But, Madam President, you called Senator Sherry by name before you called Senator Hill.

**The PRESIDENT**—I did.

**Senator Faulkner**—Surely in those circumstances the standing orders provide that Senator Sherry has a right to ask that question before question time is terminated.

**The PRESIDENT**—I will check the standing orders and see if you are correct in this case.

### ANSWERS TO QUESTIONS WITHOUT NOTICE

**Australian Prudential Regulation Authority: Insurance Industry Reforms**

**Senator Kemp** (Victoria—Assistant Treasurer) (3.06 p.m.)—Senator Sherry asked me a question on the 22nd of this month, and I seek leave to incorporate a response to his question. Then, if Senator Hill wishes to advise you that further questions are to be taken on notice, that is appropriate. The minister was not given the call; Senator Sherry was given the call. He has precedence. He should ask his question. I press the point of order.

Government senators interjecting—

**The PRESIDENT**—Order! Senator Hill has asked for question time to end. It is past the time. I thought Senator Sherry was on his feet first. Senator Hill may have been, and I did not see him. Question time normally ends after one hour.

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Leave granted.

The answer read as follows—

**TREASURY**

**SENATE QUESTION**

Senator Sherry asked the Assistant Treasurer, on 22 Tuesday:

Could the Minister explain why, in its year 2000 annual report, the Australian Prudential Regulation Authority stated that it did not expect that the new standards for the insurance industry would be introduced until mid 2002, despite the fact that a
review of these standards began in September 1999?

Senator Kemp:-The Minister for Financial Services and Regulation has provided the following answer:

On 2 November 2000 the Minister for Financial Services & Regulation announced that the Government would undertake the most significant reform of the Insurance Act 1973 (the Act), since its inception nearly 30 years ago. The proposals bring Australia’s prudential regime for general insurance up to international best practice, consistent with the Government’s financial sector reforms.

The Government expected that if all legislative amendments were in place by July 2001, the proposed new prudential arrangements would begin in July 2002. A transitional period of five years would be provided to general insurers before full compliance with the new regime was required.

Due to the fundamental and complex nature of the changes, the general insurance industry was widely consulted on the proposals and the new regime was road tested against historical data. The Government considered it important to have all the key issues identified, fully considered and comprehensively addressed. As a consequence, further work was required on the prudential requirements. Accordingly, the expected commencement date needed to be adjusted to 1 January 2003.

However, on 14 May 2001 the Government announced that it planned to bring forward the implementation of the new regime. It is now proposed to commence the new regime from 1 July 2002, and phase out the transition period by 1 July 2004. This brings forward the commencement date by three years. The industry fully supports the revised timetable.

The reforms require fundamental amendments to the Act. They will significantly increase the amount of minimum statutory capital held by the industry, improve the consistency and reliability of liability estimates as well as establish far more rigorous and transparent risk management systems within authorised general insurance companies.

Pensions: Payments

Senator CHRIS EVANS (Western Australia) (3.06 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women (Senator Vanstone) to a question without notice asked by Senator Gibbs today, relating to the 2001-02 Budget and disability support pensions.

The minister was able to give only a one-minute answer to that question, which essentially went to the issue of why people on disability support pensions, DSPs, were not eligible for the $300 one-off GST compensation. The minister’s answer was very reflective of the public’s general view of the government. It was a mean and tricky answer.

She tried to work her way out of answering the question, which went to issues of social equity, by saying that it was not a pension benefit but a benefit paid to those who were over 65. That is a real lawyer’s answer to the question. The question went to issues of social equity. When the government saw fit—and rightly so—to provide extra compensation for the GST to age pensioners because of the inadequacy of the original compensation, why did they not recognise the inadequacy of the compensation offered to disability support pensioners? Disability support pensioners are also on low fixed incomes and have been disproportionately hit by the impact of the GST.

The minister did not have an answer for that question about a basic issue of social equity. As I say, she tried a tricky lawyer’s answer. Disability support pensioners think that they have been treated as the undeserving poor—that somehow age pensioners are seen as the deserving poor and disabled pensioners are seen as the undeserving poor. Both groups of people have suffered very badly under the GST, have been clearly inadequately compensated and have found the impost of the GST on their everyday living expenses a real burden that has reduced their quality of life.

Disability support pensioners, in addition to feeling the impost of the GST felt more generally across the community, are large purchasers of services, and therefore they have been impacted by the GST as a new tax on services. They have also increasingly found that a range of disability related goods and services that they purchase have been hit with the GST when they were assured that those services would not be taxable. This has resulted in them being one of the worst hit groups in terms of the impact of the GST.
Many are suffering quite badly and are having trouble making ends meet and participating in our community.

I turn to a few examples. People on the disability support pension have been ignored in these extra compensation measures, and you need to understand the reality of their lives. Not only are they paying GST on their electricity and on their house insurance—all those other things—but also they are paying GST on the services on which they increasingly rely. Maybe they rely on someone to do the gardening for them because they are not able to do it themselves or on a handyman to assist with certain things. They rely on non-HACC personal services very often. These are people with disabilities who cannot do some of the things that most other members of the community would do for themselves. Those services have been taxed for the first time, and because they rely on those services this is not discretionary expenditure on their part. They have to purchase those services.

In addition, this mean and tricky government has been including things they said would be exempt from the GST. How many people know, for instance, that Vitacall, the 24-hour medical monitoring service that many aged and disabled people use to provide security for them in their homes—they can call if they have an emergency when they are living on their own—has actually had the GST applied to it? They are having to pay GST on a vital medical support service, if you like, or a security service. How many people know that blind people who have guide dogs have to pay GST on the vet services, the flea treatments and the food for guide dogs? These are extra costs for blind people. The wholesale sales tax was not levied on the food for guide dogs, but the GST is. Blind people are paying extra GST on services that are vital for them just to live their normal lives.

There are other examples of the GST being applied to personal services supplied that are not actually HACC funded. GST is paid on the membership of many organisations, such as the blind and deaf societies. You must pay GST to be a member of a society whose charter is to help people with physical and other disabilities. That is the sort of impact on their lives. Do people really understand that people with disabilities are paying for the labour costs when they want to get their hearing aids repaired, when they want to get their motorised and self-propelled wheelchairs repaired, when they want to get their talking book machines repaired, when they want to get surgical boots repaired, or when they want to get artificial limbs repaired? They are paying GST. (Time expired)

Senator KNOWLES (Western Australia)

(3.11 p.m.)—Isn’t it interesting to see the opposition come in here today and talk about mean and tricky governments? Let us talk about dishonest and deceitful oppositions, because that is what all this is about. Today we are debating the question: why is a one-off payment being made only to people over age pension age? Let us talk about what that opposition did in 13 years of government for people of age pension age and for people on disabilities. Senator Evans is just walking away from this debate, as Labor did from their policies in 13 years of government.

In 13 years of government, the Labor government increased pensions only according to the CPI and retrospectively. This government increased pensions four per cent in advance of the new tax system and has kept pensions two per cent ahead of any CPI increases—not retrospectively. So it will be very interesting to see what happens tonight in Mr Beazley’s huff and puff over in the other chamber. It will be fascinating to see whether or not he is going to extend these payments. Labor did not do it in 13 years in government and they have never ever suggested from opposition that they would be able to fund it.

We are talking about whether this payment should be made across the board. This payment has been made in recognition of the major contribution of older Australians, and other measures will help all pensioners keep pace with changes in prices and wages. Did the Labor Party make those changes to pay for CPI indexation up front? No. Did they look at making sure there was a parallel with average weekly earnings? No, they did not. It has taken a coalition government to do that. There is also the relaxation of the pension income test, bonuses and tax cuts. Did Labor
do any of that in 13 years of government? No.

The Labor Party had the taxable threshold for pensioners at just under $6,000. It is now $20,000. Did it take a coalition government to do it? Yes, it did. This dishonest and deceitful opposition kept that tax threshold down low. People on other income support have benefits through welfare reform as well as indexation. We are talking about disability support pensioners below age pension age receiving a non-taxable payment—the age pension is taxable. Senator Evans did not mention any of that. It will be interesting to see whether any of the subsequent opposition speakers are honest enough to mention that simple fact.

The people on the DSP, and single people on parenting payments, are already receiving more money than other people of workforce age—recognition of the barriers they face in supporting themselves. They receive the pharmaceutical allowance, the telephone allowance and a pensioner concession card. Did the opposition when they were in government for 13 years extend those benefits to pensioners, self-funded retirees and the older community? No, they did not. They firmly believe, for example, that self-funded retirees are never going to vote for them—‘So why should we do anything for them? We’ll squash them right down. We’ll make sure that they have a taxable threshold of $5,700 instead of $20,000.’ That was their concern for self-funded retirees: absolutely nought—and they increased that tax free threshold so a single person of age pension age had an effective tax free threshold of $20,000 per year.

Senator Gibbs—That is why they have been bagging you lot for the last five years.

Senator KNOWLES—It is interesting that Senator Gibbs over there flaps her gums. I would not have a clue what she is saying, but there she goes prattling off. I want to hear substance, and I want to hear it either from Senator Gibbs or from Mr Beazley if he has the courage tonight, but—no ticker, no start—we do not expect to hear anything. Let us talk about what the opposition would do if they were ever lucky enough to get into government in this country.

Senator Hill—We should get the alternative budget, you know.

Senator KNOWLES—It should be the alternative budget. It is supposedly the last budget before an election. Where is Mr Beazley going to fund this? Let us talk about how you would fund any extra increases, where you would be cutting taxes or where you would be increasing taxes. Senator Conroy has told schoolchildren today that increasing taxes are on the cards if a Labor government comes in. So you have a choice: either increase taxes or increase the rate of the GST if rollback is going to be a viable option. Let us have a look at the colour of your eyes and let us not waffle any longer.

(Time expired)

Senator GIBBS (Queensland) (3.16 p.m.)—The Howard government has decided that it can suddenly afford to pay off age pensioners with a one-off $300 payment as well as introduce other measures to claw back support among the self-funded retirees.

Senator Hill—Are you opposed to that?

Senator GIBBS—No, we are not opposed to that. The devil is in the detail, however. As the Australian public are now starting to realise, this is nothing but a stunt. Not one extra cent, not one single measure, is being taken by the coalition government to give a similar level of GST compensation to other pension recipients—most notably people with disabilities, carers and single parents. Those people constitute some of the most disadvantaged groups in our society. This highly regressive GST has only intensified their struggle and institutionalised their marginal position within the Australian community.

Take people with disabilities. The GST applies to services that are luxuries for most households but essential to people with disabilities. Senator Evans has listed in detail all of the problems that they have with the services. They need extra services such as mowing, cleaning and home maintenance. These are services and equipment that they need so that they can enjoy a quality of life that the rest of us have. It gives rise to the situation that is inherently unfair and inequitable. As is the case with single parents and
carers, these people have needs for goods and services that the rest of us do not have.

It was interesting to listen to Senator Vanstone’s answer to my question today, and I am sure that people with disabilities and carers around Australia, and certainly in Queensland, will be extremely interested in her answer. Senator Vanstone and this government have to realise that 20 per cent of people in this country suffer from disabilities. That is not only 20 per cent of voters, but it spreads out: they have families, they have friends and, when it comes to the ballot box, they are going to remember what this government has done to them. We do not begrudge the pensioners the $300 one-off payment, but we are asking: why can’t other pensioners who are in need also get this payment? Why can’t people on the disability pension get this payment? Why can’t carers get this payment? Does this government realise the difficulties and the hardships that these people have to endure? Surely you do not think that their plight in life is less than the pensioners. Of course not.

What you people have done to old-age people and people in need in this country is absolutely disgraceful. They will take that $300, they will go to the supermarket and probably they will be able to put on their shelves some supplies that the rest of us can put in our pantries whenever we run out of food. They are living on the bone. Every cent has to be accounted for—every damned cent. Three hundred dollars? Whatever happened to the $1,000 that you were going to pay the pensioners? I am sure now they are saying, ‘Thank you very much, we have the $300. Where is the other $700 that you promised us?’ They certainly did not get it. As we have heard, very few people got it. As a matter of fact, 40 per cent of those over 60 got absolutely nothing at all from that so-called $1,000 that you were going to give people.

You gave them the four per cent when you brought in the GST, but you took two per cent back off them. So you have taken two per cent back off them, and you keep saying that you have given them four per cent. You gave them two per cent, and it is not enough to compensate for what you people have done to our elderly. It is all very well for Senator Knowles to say, ‘These people in the last generation looked after us and fought for our country,’ and the rest of it. Yes, indeed, they did, and we need to look after them. We need to look after those people who have paid their taxes for years and years, not disregard them and throw them on the scrap heap when they reach 65. Your GST is paid on everything. So of course you do not take any notice—(Time expired)

Senator BRANDIS (Queensland) (3.22 p.m.)—I always find it hard to come to terms with the fact that so many of the opposition spokesmen in this place have a problem dealing with facts. We have just seen an example of that from Senator Gibbs. Senator Gibbs makes an accusation against the government by saying, ‘What you have done to the aged people in this country is disgraceful.’

Senator Gibbs—It is.

Senator BRANDIS—Is it disgraceful, Senator Gibbs, that this government has maintained increases in the age pension above the level of the CPI throughout the life of the government? The increase in the CPI, Senator Gibbs, to March of this year was six per cent. In the same period the rate of increase in the age pension was eight per cent. Not only that, the increase was paid prospectively—as Senator Knowles has pointed out—not retrospectively. The increase was made prospectively last year. If the rate of the age pension is increasing at eight per cent and the CPI, including the GST effect, is increasing at the rate of six per cent, I find it difficult to see how it could fairly be said that age pensioners are being left in the lurch.

What is the problem, Senator Gibbs, in giving a $300 benefit, a social equity benefit, to age pensioners—not in compensation for anything but in recognition of something? That is the point, Senator Gibbs. It is in recognition of the fact that these people built Australia’s 20th century and now after a period of prolonged economic prosperity these people, more than any other citizens in the community—the people who built the 20th century—are entitled to an equity dividend, a social bonus, which is what this payment is.
Dennis Atkins, the Canberra correspondent of the *Courier-Mail* observed in yesterday morning’s *Courier-Mail* that it would take a heart of stone to say that this budget is not a generous one. This morning in the *Australian* Malcolm McGregor made this observation:

The only person who looked tricky on Tuesday night was Simon Crean.

Isn’t it interesting that when the Labor Party have brought out their spokesmen—whether they be the Leader of the Opposition or Simon Crean or the other frontbenchers—to attack the budget they cannot identify a single expenditure priority that they disagree with. All they will say is—and Senator Gibbs’s speech and question today are examples of this—‘We will pass that. We agree with that but you should have gone further. We support your increase in payments to pensioners. We support your increase in the tax-free threshold. We support your social equity program for older Australians but you should have gone further.’ Yet at the same time they say that they will maintain existing programs and increase the surplus.

So where does the money come from? We are all a bit perplexed about that. We had our suspicions but we had to wait until today to have those suspicions confirmed by our friend Senator Conroy, the shadow minister for financial services. This morning Senator Conroy gave an answer to this question: ‘In order to fund this knowledge nation that Labor keeps talking about, would you be willing to increase revenues in some way?’ Senator Conroy might be mean and tricky but at least on this occasion he was not being dishonest when he said:

We have some hard decisions to make over the next couple of months. I do not think that we can run away from the fact that there will be hard decisions and we will have to prioritise how we are going to fund our spending initiatives and we are going to have to make choices between cutting programs or increasing some taxes in this area.

So there it is on the table for all to see. Senator Conroy this morning has put increases in the rate of tax back on the political agenda. We can thank Senator Conroy for his candour. He has now let the cat out of the bag and he has told us how the Labor Party’s alternative budget will be funded.

**Senator MURPHY (Tasmania)** (3.26 p.m.)—What a very interesting expose from Senator Brandis and his colleague Senator Knowles. They seem to be overly concerned about why we are alleging that the government is mean and tricky in its payment of $300 to pensioners. We are not the only ones who seem to think that. Listen to what one particular pensioner has to say:

The budget decisions targeting older Australians have vindicated the Australian Pensioners and Superannuants view that the GST compensation was inadequate and that the living standards of retirees had been undermined.

But the government has shown that it still isn’t listening to Australia’s poorest retirees, because like any policy announcement, the devil is in the detail—

That is very true. She continues:

The Government, as expected, has delivered a bag full of goodies for self-funded retirees. However, it would be a mistake to think that all self-funded retirees are big winners: 110,000 self-funded retirees under pension age will miss out on the budget benefits, just as they missed out on savings compensation when the GST was introduced.

This one-off $300 will go nowhere near meeting the drain on incomes caused by policies like the GST. This bonus won’t help pensioners who consistently find they have nothing left a few days before the next pension payday.

By ignoring calls for a restoration of the two per cent GST ‘pension advance’, the Government has missed the opportunity, however small, to provide a permanent benefit to all pensioners.

The Government seems simply out of touch with the everyday realities of ordinary people’s lives: the nursing homes fiasco, the GST on Caravan Park rents, the Commonwealth Dental Health program and constant undermining of the Pharmaceuticals Benefits Scheme.

The Government risks further voter backlash because of its approach towards older unemployed and the scrapping of the Mature Age Allowance. The harsh Centrelink breaches, which affect six per cent of those aged over 50 on Newstart, will be applied to more and more older people.

This is hardly a move consistent with a Government claiming to be listening to the electorate and being compassionate.
Unfortunately, this is a budget from a Government without a vision for the future. It is a case of too little, too late.

That was Norah McGuire, vice-president of the Australian Pensioners and Superannuants Federation.

The reason the opposition raises the question is that of course we support the fact that the government is going to give older Australians $300. Why wouldn’t you? You have hit them with a GST that has cost them so much extra on everything: food went up 6.6 per cent; health went up 3.9 per cent; pharmaceuticals went up 9.3 per cent. Senator Evans and Senator Gibbs raised the question about people on disability pensions. Why wouldn’t you give them some extra money, because they confront the same sort of costs? That is why we have to be somewhat cynical about this $300.

It seems, taking Senator Knowles words to be accurate, that we are going to give this to these older Australians because they built this nation. So all that effort is worth only $300? It has to be a cynical exercise. What is it for? If it is for compensation, it ought to be applicable to all pensioners because they all confront the same sort of costs. Why are Norah McGuire and the other pensioners very mistrustful of this government? They have very good reason to be mistrustful because Prime Minister Howard and this government promised them a special yearly tax rebate on savings of up to $400. What happened to that? It was scrapped. That was followed closely by the $1,000 promise for all pensioners. Who got it?

Senator Calvert—Never was.

Senator MURPHY—I suggest, Senator Calvert, that you go back and read the Prime Minister’s words. A huge percentage of people received very little and over 40 per cent got nothing at all. Only a very small percentage got the $1,000. This is a government that ripped $750 million out of the concessions for pensioners and retirees. Free dental was axed. Free hearing aids were stopped. The whole process you have embarked upon since you have been in government is a mirror and smokescreen job. That is what you have been pulling on pensioners. That is why they do not trust you. Of course they have got to be cynical. This government ought to have done the right thing. If you were about being compassionate, you ought to have given this to all pensioners. (Time expired)

Question resolved in the affirmative.

HIH INSURANCE
Return to Order

Senator KEMP (Victoria—Assistant Treasurer) (3.32 p.m.)—by leave—I wish to respond to an order made yesterday following a motion moved by Senator Conroy that, as the Minister representing the Treasurer, I table certain documents after question time today.

The documents requested relate to representations made since March 1996 by, or on behalf of, HIH Insurance Pty Ltd and all associated companies, to any minister or parliamentary secretary or his or her office, or to any agency of the Commonwealth in relation to the proposed amendments to the Insurance Act 1973 or proposals for the enhancement of prudential regulation of the insurance and finance industries.

I would like to make some initial comments about the breadth of the order and the context in which it has been made. In March this year, the New South Wales Supreme Court appointed a provisional liquidator to the HIH group of companies. In recognition of the extreme financial difficulties the collapse of the HIH group has caused for many people, the government recently announced a package of more than $500 million in hardship relief and has set up a hotline for those who seek to be considered for relief. The Australian Securities and Investments Commission is already undertaking an inquiry into the collapse. On Monday this week, the government announced that there will be a royal commission to investigate the matter thoroughly, the terms of reference of which are expected to be released shortly.

As for the breadth of the Senate order, it requires a search by government agencies, departments and ministerial and parliamentary secretaries’ offices for documents dating back to early 1996, the time of the commencement of the Wallis inquiry. The docu-
ments sought are those received from, or on behalf of, HIH Insurance Pty Ltd and its associated companies. Even assuming a narrow interpretation of ‘associated companies’, that is, companies that are controlled by HIH, I am advised that the search would need to encompass correspondence from approximately 280 entities. Assuming a broader interpretation of ‘associated companies’, the search would probably need to encompass correspondence from a considerably larger group, possibly 300, 400 or even more. Factoring in the words ‘on behalf of’ presumably adds to the list because it includes solicitors, accountants, industry groups and others that may have acted on behalf of any of these companies.

Clearly, the order will require an extensive search which will take a significant time and will use substantial government resources—finite resources—some of which could otherwise be used to protect the interests of people hurt by the HIH collapse. And all this was to be done by today. It is hard to believe that it was a serious request. In the circumstances, particularly given the current ASIC inquiry and the forthcoming royal commission, this request, I regret to say, seems to be nothing more than a political stunt by Senator Conroy. It is a cynical ploy designed to seek political point scoring opportunities, and it does nothing to assist those who have suffered from the HIH collapse. In the context that I have described, it can only be described as politically motivated and, in my view, it is irresponsible.

It is not appropriate to table documents which deal with matters that will be considered by the forthcoming royal commission—an inquiry, I point out, that has coercive powers of discovery and interrogation—or to permit the diversion of extensive public service resources to locate documents of the kind described, when these resources can certainly be better deployed elsewhere. All that, in the shadow of two inquiries that will extensively investigate the collapse of HIH and related matters, would not, in my view, be responsible or in the public interest. Therefore, I do not propose to authorise the resources necessary to respond to the Senate’s order.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (3.37 p.m.)—by leave—I do hope that the minister who has just made the statement and who now appears to be departing the chamber remains while the opposition makes a response to his comments, because this is a serious matter. Thousands of Australians have been damaged by the HIH collapse, businesses are facing bankruptcy and people are being badly hurt. I want to respond, however, to what the minister has said.

The first point that needs to be made is that, although the minister levelled his attack at Senator Conroy, the person who moved this motion, and described the motion as cynical and politically motivated, that was a diversion. The truth is that this is a motion of the Senate that was adopted by the Senate in a division yesterday. This is a decision by the Senate, not by any individual senator, no matter how a government minister might regard that person to be motivated. This is a decision by the Senate requesting the tabling of these documents, and it is a request of this chamber of this parliament representing the people of Australia to the executive wing of government to make documents available for public scrutiny. It is not good enough for the government to say to this chamber and, through it, to the people, ‘We shall not make those documents available.’ That is what this minister has said today: ‘We shall not make these documents available.’ That is offensive to the Senate and it is offensive to the people of Australia.

I now want to deal with the grounds upon which he has made that statement. Essentially, they come down to this: that the government has announced a royal commission into the collapse of HIH and for that reason it wants to give its efforts to that royal commission rather than divert its energies to making information that the Senate requests from it available to the Senate. That is not a substantial reason at all under any circumstances not to make the information available or under any test not to make the information available. It is true that the government has announced a royal commission. At this point
of time, we do not know what the terms of reference of that royal commission will be. We do not know, for example, whether the terms of reference of that royal commission will focus on the issue of the return to order that the Senate has requested. There is no guarantee in the minister’s statement that the royal commission’s terms of reference will in fact cover the area that we have requested documentation from.

One has to be very suspicious about this government. It is not for nothing that the President of the Liberal Party, Shane Stone, describes it to the Prime Minister as mean and tricky. It is not for nothing that the President of the Liberal Party says that. And if the Liberal Party President is saying that to his own Prime Minister, we are entitled to be somewhat suspicious as well about the government’s motivation here, because this return to order requests papers that may have been sent between the government and HIH on the issue of political donations. I do not know whether the government, in its royal commission terms of reference, is going to examine the issue of HIH’s political donations to the Liberal Party. The fact that there is no guarantee from the minister today but an assertion that the royal commission will examine the issue of HIH’s political donations to the Liberal Party. The fact that there is no guarantee from the minister today but an assertion that the royal commission will examine this issue is no assurance to the opposition that the royal commission will in fact cover the area that we have requested documentation from.

We also know that it is true that the insurance industry, when making representations to the government about the nature of government regulation for this industry—the industry led in these talks by HIH—sought from the government a commitment to putting the onus on the industry for self-regulation; that is to say, they asked the government to impose light regulation on them, promising the government that they would regulate themselves. They asked the government to stand back, saying that they would impose their own regulations. That is a fact. That is what the industry is on the public record as saying, that is what the government has said, and it is the justification for the government’s imposing very light regulation on the industry and enabling the industry’s wish of self-regulation to be pre-eminent.

But we also know that the regulatory authority, APRA, when confronted with the collapse of HIH, said publicly—after all, it is an independent authority—‘We had insufficient powers to detect this collapse in advance and insufficient powers to do anything about it when occurred.’ The industry sought from the government light regulation—not sufficient powers—with an emphasis on self-regulation. The regulatory authority says, when the collapse occurs, ‘We did not have the power to detect it in advance or prevent it.’

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It is reasonable, therefore, to ask: was there any influence bought by the $650,000 party donations over the last five years by...
HIH to the Liberal Party that caused the government to require that the regulator did not have sufficient authority to detect malfeasance in this case? The return to order that we have sought—the documents that we have sought in this chamber—would reveal whether or not there is a paper trail that establishes innocence or culpability on behalf of the government.

When the facts are as clear as that and when the government declines to table the documents, you ask yourself this: if they have nothing to hide, why are they not tabling the documents? The old saw here is, 'If you have nothing to hide, hide nothing.' If there is a reason for dispelling the suspicion that is reasonably held in these circumstances, dispel it—prove your case, put the documents down and get rid of the suspicion and let us concentrate on other, more constructive areas of parliamentary responsibility. But if there is not, do what you are doing now. I say through you, Madam Deputy President, to the government: do not put the documents down and use the specious explanation that there is a royal commission to justify your not tabling those documents.

This does smell like a cover-up. The quickest way that the government can remove that odour is by coming clean. If it does not, then the stink will get worse. If in the royal commission's terms of reference, which we are today advised will be imminently tabled and made public, there is not a term of reference that requires Their Honours who will inquiring into this matter to examine the link of political donations to the issue of the collapse of HIH, then we will come back to this chamber and we will again seek the tabling of these documents because the cover will then be blown. Remember: the excuse today is, 'There will be a royal commission that is going to look into that, so you don’t look into it.' But if the royal commission terms of reference do not look into it, then that cover is blown, that excuse is null and void and there is no defence. The government then has to come clean and table the documents.

Let me just mop up some of the other detail that the minister has used as an excuse on this occasion. He, in what was a slender explanation, flimsily based, spent an inordinate amount of time in the short time he made available for himself on the argument that the breadth of the order we seek requires a diversion of resources and effort by the department at a time when the department is gearing up for a royal commission and that therefore we are somehow artificially interfering with the department’s responsibility. The first point I make is this: the department is responsible, through the minister, to the parliament and the parliament is asking for these documents. In any classic definition of the department’s responsibility, it certainly is to this parliament. But leave that aside for the moment.

The minister said that in a narrow definition of HIH and its associated entities there would be up to 200 entities and, in a broad definition of HIH and its associated entities, there would be up to 400 entities. The implication is that that is a huge task. As an aside, that one company can trade with about 200 associates that all hark back to it as the principal company or up to 400, albeit they be legal advisers and so forth, is a pretty revealing comment on the type of company organisation that goes on in this industry sector. But it is not as if departmental records on these issues are hard to come by. The department, if you believe the minister, is getting these records together in any case for the royal commission. Most of the incoming correspondence of departments is tabulated and available by pressing a switch on a computer to get an immediate print-out. This is not a huge task, although the argument is that 200 or 400 is unfair. In this electronic age—the age of IT and record keeping in cyberspace—with a flick of a switch, you can get most of this information.

As far as departmental resources are concerned, I have to some extent covered them. But here is the trap the minister has set for himself: he has said that we cannot have this information because of the royal commission. The implication is that if departmental resources are being—to use his word—diverted, then this information is not being acquired by the department for the royal commission, which does lend support to the conclusion that maybe it is not in the terms
of reference of the royal commission. If departmental resources are being organised to serve what will be the terms of the royal commission, then this information is not a diversion of resources and this material should be available.

I conclude by saying that it is offensive to the Senate that the government should deny its request. It is even more offensive to the Senate that the government, in doing so, should select one senator and accuse him of base motives, when he is acting in the public interest. In any case, it is not up to him; it is a matter for the Senate.

We are asking for a narrow band of documents that relate to political donations from HIH to the government, and the government is refusing to make them available. This does smell of a cover-up, because it is unlikely that the royal commission will actually investigate this area—after all, the government is going to appoint it and determine its terms of reference.

But I do leave this before the chamber, and mark this spot: if the terms of reference for the royal commission do not adequately examine this matter, we will seek these documents again and we will press our demand. The quickest way the government can avoid us doing that and turning this into a major parliamentary debate is by including in the terms of reference an examination of political donations, confidence buying and so forth in the commercial sector of this industry. This is the biggest corporate collapse in Australian history. Thousands of Australians are hurt, businesses are going to the wall—and the buck stops with this government.

Senator WATSON (Tasmania) (3.54 p.m.)—by leave—I have listened very carefully to both sides of the HIH debate. I am very pleased that Senator Cook has realised the enormity of the Senate request and virtually acceded, with some qualifications, to the position of the Assistant Treasurer, Senator Kemp. While I am never one to query the orders or resolutions of the Senate, given the enormity of the issue, the hundreds of companies involved and the thousands of files that would have to be traversed very carefully—simply because there are tremendous consequences in missing one letter in so many thousands of files—I think the time frame for the request from the Senate is quite unreasonable, particularly given the huge demand it would place on the officers of ASIC and staff of HIH.

In any company collapse there is always a loss of skilled staff. I would like to pay tribute to the professional manner of the investigation conducted by ASIC. I think ASIC have jumped onto this investigation very quickly. They have applied an enormous amount of resources to the inquiry, and their investigations are now well under way.

We senators have to ask ourselves: how many inquiries do we really want in relation to one particular entity, HIH? True, it is the second largest general insurer in Australia and it has failed. It is a massive loss, and thousands of people right across Australia have been hurt. The Senate Select Committee on Superannuation and Financial Services actually deferred hearing from Mr Knott of ASIC and APRA until 12 June because we felt earlier that the first priorities were to get payments out, to get a resolution with the insurance companies as to how best to pick up the problems and to get some sort of justice for all those people who are so adversely affected.

ASIC must continue its investigation with all the rigour that is required, and adequate resources appear to have been given to this investigation. There will also be an additional inquiry conducted by a royal commission. The Senate Select Committee on Superannuation and Financial Services has also an oversighting role. I know the Labor members on that committee are very anxious that there is a parliamentary input. So we have to be very careful about using scarce resources to give virtually the same or similar information to a whole host of separate inquiries. Problems could develop in terms of the interpretation given to each inquiry. I now congratulate Senator Cook on his recognition of the fact that it is going to be a difficult exercise to get the relevant information and for saying that he will wait and maybe look into it at a later date. I ask all senators to consider the enormity of the issue and the extreme pressure that is going to be placed on the resources of ASIC.
I would also like to pay tribute to a man who has come under a bit of fire lately, Mr Knott. I note his resignation as a director of APRA; that is appropriate. It is equally important that he continues as head of ASIC, because he has certainly got his finger on the pulse and understands the task. Under the circumstances, we have to keep ASIC fully resourced and focused on the enormity of the problem it faces and focused on bringing out a report and working closely with the royal commission. I thank the Senate.

COMMITTEES

Reports: Government Responses

Senator ELLISON (Western Australia—Minister for Justice and Customs) (3.58 p.m.)—I present three government responses to committee reports as listed on today’s Order of Business at item 13. In accordance with the usual practice, I seek leave to incorporate the documents in Hansard.

Leave granted.

The documents read as follows—

99/3058
Senator Jim McKiernan
Chair
Senate Legal and Constitutional References Committee
Parliament House
CANBERRA ACT 2600
Dear Senator McKiernan

I refer to the Senate Legal and Constitutional References Committee inquiry into the following: the need for privacy legislation for the private sector; the appropriateness of using the Privacy Commissioner’s National Principles for the Fair Handling of Personal Information as the basis for a co-regulatory scheme; and the appropriateness of the provisions of the Privacy Amendment Bill 1998 which was passed by the House of Representatives on 1 April 1998. As you know, the Committee tabled the Report of its inquiry, titled “Privacy and the Private Sector” on 25 March 1999.

The recommendations made by the Committee in its Report have been addressed publicly by the debate and enactment of the Privacy Amendment (Private Sector) Act 2000. As you may be aware, I have proposed that the Privacy Commissioner conduct a review of the operation of the private sector privacy legislation after two years. I am grateful for the contribution of the Committee on the issue of private sector privacy and took into account the issues raised in the Report in the development of the legislation.

Yours sincerely

DARYL WILLIAMS

Building Australia’s Trade and Investment Relationship with South America

GOVERNMENT RESPONSE

The Government thanks the Joint Standing Committee on Foreign Affairs, Defence and Trade for the comprehensive inquiry conducted into Australia’s trade and investment relationship with South America. The report is a welcome and timely follow-up to the last report on South America by the Senate Standing Committee on Foreign Affairs, Defence and Trade in 1992.

The report makes thirty recommendations regarding Australia’s trade and investment relationship with South America. The Government’s response to these recommendations is provided below.

List of Recommendations

Coalition Building, Economic and Regional Considerations

Recommendation 1

The Committee recommends that the Australian Government, along with the New Zealand Government, urge the Mercosur countries to reinvigorate the CER-Mercosur dialogue. Australia has been active in putting forward initiatives for the dialogue. However, progress has been modest. The main problem is the heavy negotiating load with other external partners on the Mercosur side. We have made some progress on technical issues (such as science and technology cooperation) and will continue to seize opportunities as they arise. The CER-Mercosur dialogue will be examined in a major Government report by DFAT’s East Asia Analytical Unit on business opportunities in Latin America. The report is due for completion in August 2001.

Recommendation 2

The Committee recommends that the Australian Government pursue as a priority the development of an Australia-Mercosur free trade agreement. The Government closely monitors regional trade developments in Latin America in order to protect and advance our commercial interests. The Government remains open to the idea of a regional trade arrangement with Mercosur and/or other countries in the region consistent with its policy that such arrangements would deliver substantial gains to Australia across all sectors which cannot
be achieved in a similar timeframe otherwise. However, at the moment, we can discern little interest on the Mercosur side which has, like ourselves, other priority countries/regions for such agreements.

Recommendation 3
The Committee recommends that the Australian Parliament, under the Inter-Parliamentary Union, establish an Australia/Andean Community Parliamentary Group.

This is a matter for Parliament to resolve.

Recommendation 4
The Committee recommends that the Department of Foreign Affairs and Trade, along with its portfolio partner Austrade, develop a strategy to establish Australia as a bridge to Asia for the economies of South America.

This is already a feature of trade development and promotion messages in Australia and in the portfolio’s work in the region.

Building a Sound Trade and Investment Relationship

Recommendation 5
The Committee recommends that the Australian Government establish an Australia-South America Foundation.

The Government has announced the creation of a Council on Australia Latin America Relations (COALAR), aimed at strengthening ties between Australia and the countries of Latin America. The Council will be established by mid 2001.

Recommendation 6
The Committee recommends that the Australia-South America Foundation be serviced by a secretariat located in the Department of Foreign Affairs and Trade. The Council on Australia Latin America Relations, referred to above, will be serviced by a secretariat in DFAT.

Recommendation 7
The Committee recommends that the Australian diplomatic missions in Argentina, Brazil, Chile and Venezuela and the consulates in São Paulo, Brazil and Lima, Peru, promote the activities of the Australia-South America Foundation in South America.

We envisage our posts being involved in the promotion of individual programs and activities of the COALAR, such as exchanges of young business executives. These activities would be in addition to the public diplomacy and trade promotion work already being undertaken by posts.

Recommendation 8
The Committee recommends that the Department of Foreign Affairs and Trade, in cooperation with Austrade, form a South America Working Group to enable greater cooperation and information exchange between governments, both federal and state, business and business forums on the opportunities, activities, initiatives and developments in South America.

The proposed body being developed by DFAT in response to recommendation 5 above will facilitate greater cooperation and information exchange between government and business on opportunities in South America.

Recommendation 9
The Committee recommends that the Prime Minister visit the South American region.

The Government agrees that personal contact can contribute in an important way to building a sound trade and investment relationship. Annual APEC economic leaders’ meetings provide opportunities for regular contact at head of government level with Chile and Peru (as well as Mexico). A visit by the Prime Minister to the South American region at a mutually convenient time would further contribute.

Recommendation 10
The Committee recommends that the visit of the Prime Minister to South America be followed closely by the Minister for Trade visiting the region accompanied by Australian business representatives.

Mr Vaile will visit the region when he chairs a Ministerial meeting of the Cairns Group due to be held in Uruguay in September 2001. If time permits, he intends to visit other countries and consideration will be given to taking a business delegation with him. Mr Vaile visited Argentina, Uruguay, Brazil and Peru in September 1999.

Recommendation 11
The Committee recommends that the Australian Government, in partnership with industry, establish an exchange program for young executives between Australia and the countries of South America.

DFAT and Austrade would promote this initiative through the Council on Australia Latin America Relations and the Australia-Latin America Business Council. Such an exchange program has also been recommended as a cooperative project of the Forum for East Asia Latin America Cooperation.

Recommendation 12
The Committee recommends that, as an initiative of the Australia-South America Foundation, the Australian Government investigate the development of a program to provide the less developed countries of South America with the opportunity
to capture the expertise and skills of people who have retired from the Australian workforce.

The Government agrees that it would be useful to be able to harness the skills and expertise of people who have retired from the Australian workforce, for example former Ambassadors/Trade Commissioners, in South America. An example of where this is done successfully is the AESOP program, which places volunteers in developing countries in the Asia Pacific region. (AESOP receives financial support from AusAID). A similar program could be investigated by the COALAR. However, like AESOP, it would need some government financial support.

Recommendation 13

The Committee recommends that the Australian Tourist Commission substantially increase its efforts in South America to capitalise on the tourism potential.

There are a number of factors which can assist in maximising tourism growth out of the South American market – marketing is one, availability of air services is another. In terms of marketing, the ATC has been allocating resources to the development of Latin American markets since 1987. Latin America is managed through the ATC’s Los Angeles office and is part of the Americas region. The USA and Canada accounted for 80 per cent and 15 per cent of arrivals from the region in 1999; Latin America accounted for 5 per cent, mostly from Argentina and Brazil.

While the ATC believes that the funding allocated to Latin America from the Americas regional budget is consistent with the outputs that can presently be generated from this region, the ATC does recognise the potential of the Latin American market in the longer term. Accordingly, the ATC will continue to monitor developments to maximise its growth potential commensurate with its global budget.

Recommendation 14

The Committee recommends that the Department of Immigration and Multicultural Affairs introduce the Electronic Travel Authority into Argentina, Brazil and Chile, followed by the other South American countries.

At present, the ETA is available to passport holders of 32 countries and locations. The extension of the ETA to Hong Kong and Taiwan on 1 July 1999 represented the completion of the first stage of the ETA rollout. The first stage rollout has meant that within a period of 4 years, some 9 million ETAs have been issued. ETAs now represent between 80% to 90% of all visitor visas issued. The ETA system is the most advanced and streamlined travel authorisation system in the world, with more than 70 airlines and over 300 000 travel agents worldwide currently able to participate in the system. Against the background of this very rapid increase in the use of ETAs, the Government decided that there should be a period of consolidation whilst the system is fully bedded-down.

The Government considers that following this period of consolidation, other countries can be considered for ETA extension subject to two major factors:

that visitors from any proposed country should represent a very low immigration risk, particularly in terms of non-return rates; and

that the size of the visitor market from the proposed country should be sufficient to warrant ETA extension. While the ETA has been extended to a number of countries which deliver very small numbers of visitors, each of these smaller source countries lies within or in close proximity to a much larger country or region where ETA has been extended (e.g. The Vatican within Italy). Because generally the same travel agents service these smaller countries, it was considered financially feasible to extend ETA to those countries at the same time.

With regard to the recommendation to extend the ETA to Argentina, Brazil and Chile, the Government notes that each of these three countries represents a relatively small number of visitors annually. In 1999/00, there were 8561 visitor visas issued to Brazilian nationals (0.26% of total visitor visas issued), 6926 to Argentinians (0.21% of total visitor visas issued) and 2936 to Chilean nationals (0.09% of total visitor visas issued).

Of greater significance, however, is that non-return rates for visitors from Brazil and Chile are very high. The non-return rate for Brazilian nationals rose sharply from 5.0% to 9.4% in 1999-00, while the rate for Chilean nationals remained very high at 12.1% in the same year. The Government notes that this is between 4 to 6 times higher than the global non-return rate of 2.4% and between 5 to 8 times higher than the average non-return rate of visitors from all ETA countries. Indeed, there are relatively few countries from which Australia receives more than 2000 visitors per year that have non-return rates greater than those of visitors from Chile and Brazil.

Given the relatively high non-return rates for Brazil and Chile, there is no case at this time for the ETA to be extended to these countries. The Government notes that the United States Visa Waiver Program and the Canadian Visa Exemption Program, the US and Canadian equivalents of the ETA, have not been introduced for these
two countries. The Government also notes that visitor visa grants to nationals of Brazil and Chile increased by 24% and 13.6% respectively in 1999/00.

The Government has had under examination for some time the case for extending ETA to Argentina, but at this stage has made no firm commitment to proceed. The issue will be examined further. In the interim, the Government notes that existing visa processing arrangements for Argentina are highly efficient and provide for a 24-hour turn-around for most applicants. Visitor visa grants to Argentinians increased by 6.6% in 1999/00 over 1998/99.

Recommendation 15

The Committee recommends that the Department of Immigration and Multicultural Affairs introduce a visa category that allows persons to be sponsored by Australian business to work not only in the company in Australia but to undertake formal study at the same time.

There is an existing range of visa options for people wishing to come to Australia for study and work purposes.

Student visas are available to genuine students who wish to come to Australia to study in full time courses registered on the Commonwealth Register of Intensive Courses for Overseas Students (CRICOS). Students are permitted to apply for work rights after they commence their courses in Australia. Work rights involve up to 20 hours work per week, but this should be incidental to the study component.

The level of work rights available to student visa holders is one of the most generous in the world. The Australian overseas students industry recently rejected a proposal to increase the level of work rights available to overseas students.

An option available for Australian businesses seeking to sponsor a business entrant who also wishes to do some study is the Temporary Business (long stay) visa, subclass 457. Visa holders under this subclass are not restricted from enrolling or participating in courses of study at any level in Australia. Visa holders have as a mandatory condition (8107) that they must not change occupation or employer without the permission of DIMA, but this condition does not restrict access to courses of study.

Further visa options to combine study with other forms of activity include:

- visitor visas where a tourist can undertake some study as part of the visit to Australia;
- business visitor visas where a short term business entrant (less than 3 months) can undertake study in addition to business activities; and
- working holiday maker visas where the entrant can combine a holiday with work and study.

Additionally, there are a number of permanent entry options available for businesses to sponsor overseas employees to work and study in Australia. The Employer Nomination Scheme and the Regional Sponsored Migration Scheme allow employers to sponsor people from overseas to fill positions that cannot be filled from the local labour market. If successful, the applicant and family are able to access Australian education in the same way as any other resident of Australia.

Recommendation 16

The Committee recommends that the Department of Immigration and Multicultural Affairs revise its visa processing requirements in South America to streamline the process and reduce the compliance costs to applicants.

DIMA is required by the Government to achieve a balance between facilitating the Government’s foreign policy/trade agenda whilst maintaining the strong focus on immigration integrity that the Government is committed to. DIMA cannot and does not operate with only one of these two objectives in mind. It must strike a balance.

The structure of DIMA’s visa processing arrangements in all parts of the world are driven by the volume of applications and the level of immigration risk. As a result, high volume, high risk countries such as China and India have seen significant increases in DIMA resources in recent years. DIMA constantly monitors the emerging trends in application rates, processing arrangements and staffing in all parts of the world, including South America.

The volume of visa applications from South America has traditionally been low although immigration risk has been relatively high. Increases in visa applications in 1999/00, however, suggest that a re-examination of DIMA’s delivery structure in South America is appropriate. DIMA has, over the past twelve months, and in response to the concerns raised by the Committee:

- considered a range of options for redistributing existing resources within the Region which would provide an opportunity for the Department to address the Committee’s concerns as well as respond to emerging trends in South America. Several options for realignment of resources were explored, including establishing an A-based presence in Brazil (in either Brasilia or Sao Paolo), Buenos Aires and/or in Mexico City. Taking into
account staffing, security, accommodation, associated costs and workload business cases for the Region, it was decided to establish a DIMA A-based presence in Brasilia of two A-based officers. Both officers took up their positions in Brasilia recently;

• appointed two additional Locally Engaged Employees at the Embassy in Brasilia;
• considered the feasibility of cooperative arrangements with the Australian export education industry to provide more efficient student visa processing in the Region; and
• considered the feasibility of locating a mobile visa processing resource in the Region.

APEC in South America

The Australian Pacific Economic Cooperation Forum (APEC) forum of 21 economies (including Chile, Mexico, and Peru) recognises the need for business people to move quickly in pursuing trade and investment opportunities. APEC economies aim to make it easier for APEC business people to travel through the Region. In this regard, a significant recent initiative has been the development and implementation of the APEC business travel card scheme. This scheme provides pre-clearance for the holders of accreditation cards and access to priority processing lanes at airports of participating economies. The travel card is valid for up to three years and provides for entry for up to three months on each visit.

Peru announced its decision to join the APEC Business Travel Card Scheme in August 2000, providing accredited Peruvian cardholders with streamlined entry to Australia. There are now ten participants in the Scheme, including Chile and Australia.

Student visa applications from Colombia.

It is noted that at present there is no Australian mission (DFAT or otherwise) in Colombia. This limits the range of visa processing arrangements that can be put in place. The current arrangements require applicants to mail their applications to Santiago in Chile.

DIMA provided the Committee with a detailed submission on the costs associated with student visa processing from Colombia, broken down into various scenarios depending on the completeness of the initial application. If an incomplete application is lodged, the DIMA visa processing office in Santiago will contact the applicant and request submission of the missing documents. The applicant will then have to pay courier costs in addition to costs associated with lodging their application.

The current visa application charge is US$185 and DIMA understands that the usual cost of courriering documents one way is US$40. Couriers are used for document security reasons and because postal services are known to be unreliable. One well-known courier company offers a service whereby for a one-off fee of US$65, applicants can send all their documents to Santiago and have the passport couriered back to Colombia. Student applicants are informed of this service in the student visa information package.

With respect to processing times, the processing of student applications is cyclical and geared to the commencement of the study year in Australia. The average processing time for Colombian student applications decided in Santiago was 29 days for the 1999 calendar year. That is the average number of days between lodgement of the student visa application and finalisation of the case.

This processing time is subject to the time it takes to process larger numbers of student visa applications in peak processing periods which usually occur from late November through to early February and again in the middle of the calendar year. Processing times can be longer during such times, depending upon the number of applications lodged.

DIMA will continue to examine alternative service delivery options that would provide a faster and less expensive process from the perspective of applicants, but notes that there are very significant safety issues involved in locating any form of stand-alone operation (ie without DFAT support) in Colombia. DIMA also notes that there is a very high level of detected fraud in the Colombian student caseload that makes significant improvements in processing times difficult to achieve.

Recommendation 17

The Committee recommends that the Australian Government reassess priorities for the negotiation of double taxation agreements and move to negotiate double taxation agreements with more South American countries.

A double taxation agreement was finalised with Argentina in December 1999. The Government is close to finalising a double taxation agreement with Mexico. The Government has approved the negotiation of a similar agreement with Chile. (It should be noted however that Chile is a recent entrant into the field of double taxation agreements and has a long list of potential tax treaty partners, focussed on their South American neighbours and major trading partners in North America and Europe).
On 11 November 1999 the Treasurer, responding to the recommendations of the Ralph Review of Business Taxation, announced on behalf of the Government that priority will now be given to renegotiating Australia’s ageing tax treaties with our major trading partners (in particular, the United Kingdom, the United States and Japan) and that the Government would also review its overall tax treaty policy to ensure that a greater focus is placed on the taxation of foreign source income. The ATO’s available tax treaty resources are currently fully occupied with implementing the Government’s response to the Ralph recommendations.

While the Government is unable to support the Committee’s recommendation to move to negotiate double taxation agreements with more South American countries at this stage, this would not prevent Australia from entering into such negotiations in the future, where that is in accord with Australia’s interests.

Recommendation 18

The Committee recommends that the Australian Government give consideration to Australia becoming a member of the Inter-American Development Bank.

The Government acknowledges that there may be potential trade benefits to be derived by Australia through membership of the IADB. We consider, however, that membership of any international financial institution (IFI) needs to be considered in a balanced way, taking into account all relevant factors, such as our already wide and existing commitments to other international and regional fora and where we are best placed to influence outcomes that are consistent with Australia’s overall international objectives. In this context, we are conscious of the need to achieve the greatest impact from the investment of our limited available resources.

The Government is also conscious of the current tight budgetary climate, particularly given the Government’s overall fiscal strategy, and our increased aid focus on the Asia Pacific region since the Asian financial crisis, both directly (eg East Timor, PNG) and indirectly through our existing IFI shareholdings (eg IMF, World Bank, Asian Development Bank). In this context, the Asia Pacific region remains a key priority for the Government in terms of our funding for, and activities in, the IFIs.

In light of these considerations, we do not believe that Australian membership of the IADB is warranted at this time.

Recommendation 19

The Committee recommends that AusAID provide a budget allocation for development projects in South America in cooperation with the World Bank and the Inter-American Development Bank.

The Australian overseas aid program is currently concentrated in the Asia Pacific, with selective involvement in South Asia, Africa and the Middle East. In “Better Aid for a Better Future”, the Government announced that the focus of the Australian aid program would continue to be in our own region. This regional focus enhances the effectiveness and efficiency of the aid program by concentrating AusAID’s skills and resources in a smaller number of countries in close proximity to Australia. On this basis, AusAID would not support a proposal to expand the aid program’s focus to include Latin America.

As noted in the report, the Australian aid program has recently provided humanitarian and emergency assistance to Peru and Venezuela to assist with demining and the provision of medicine, bedding and clothing. In 1998, Australia provided AS1 million for relief efforts in the wake of Hurricane Mitch. The Government has said that it will continue to respond flexibly to such humanitarian and emergency relief situations within and beyond the Asia Pacific region.

Government Support for Australian Companies

Recommendation 20

The Committee recommends that the Australian Government provide the Australian mission in Caracas, Venezuela, with additional resources to allow an appropriate level of service and support for the development of Australian trade and investment interests in the markets of Colombia, Ecuador and Venezuela.

DFAT and Austrade have agreed that formalised trade promotion training and support will be given to a nominated member of staff at the Caracas mission.

Recommendation 21

The Committee recommends that the Canada, Latin America and Caribbean Section of the Americas Branch in the Department of Foreign Affairs and Trade be realigned, with the Canada desk to be placed in another section.

The Executive Officer who handles Canadian affairs in the Canada, Latin America and Caribbean Section tends to work directly to the Branch Head and is, in effect, autonomous within the Section. DFAT intends to retain the current arrangements.

Recommendation 22

The Committee recommends that Austrade examine the resources provided to the Americas regional office in Canberra and the level of information flow coming from the Trade Commis-
sioners to harmonise more effectively its relationship with Austrade South America.

As a first step, Austrade's Americas Regional Office in Canberra has recently increased staffing to 3 people. As well, the recently appointed Executive General Manager for the Americas is reviewing these issues in light of the Committee's report, and Austrade's Information Age project is examining possible improvements in both internal and external information flows.

Recommendation 23
The Committee recommends that Austrade, in consultation with its portfolio partner the Department of Foreign Affairs and Trade, implement an information exchange strategy between the partners to ensure greater awareness and knowledge of potential and available business opportunities for Australia in South America.

The Government agrees that the flow of information between DFAT and Austrade is vital. This objective is at the heart of DFAT and Austrade's joint Latin American Action Agenda. Information exchange was a major focus of the meeting of the Australian Heads of Mission in Latin America and the Caribbean in Buenos Aires in December 2000 in which senior Austrade representatives from the region participated.

Recommendation 24
The Committee recommends that Austrade review its user pay cost structure and introduce a concessional fee-for-service rate to assist small to medium enterprises to enter emerging markets.

Austrade services reflect the three different stages identified in the international business learning curve. Austrade's services are designed to assist Australian companies move along the curve faster than normal, while also reducing the risks and costs associated with developing an export business.

Thus, Austrade's services are grouped into three broad segments:

Tier 1: Seeking general information and advice about exporting: at the start, Austrade helps Australians thinking about export, by providing a range of general information and advice that will assist them in the decision-making process.

Tier 2: Selecting, understanding and entering new markets: when companies are ready to export, Austrade helps them select, understand and enter export markets, through focused advice and assistance in Australia and overseas.

Tier 3: Expanding overseas business: Austrade provides tailored assistance and strategic advice to existing exporters looking to expand their overseas business.

Austrade charges fees for Tier 2 (A$100 per hour first 10 hours, A$150 per hour thereafter) and 3 services (A$150 per hour), in accord with Government policy. In practice, this Client Service Policy means that most Austrade services to small and medium enterprises are either free of charge, or else attract a subsidised fee. In addition, Austrade fees can be usually claimed under the EMDG scheme, subject to the eligibility criteria. Experience has shown that Austrade fees are normally only a small proportion of a small to medium enterprise's total costs of entering an overseas market.

Austrade therefore believes that there is a high degree of concessionality within the existing fee structure. Nevertheless, Austrade has noted this recommendation and will take the Committee's view into account when next reviewing fee structures. This will take place when the outcome of the Productivity Commission inquiry into cost recovery by Commonwealth agencies is known.

Recommendation 25
The Committee recommends that the Australian Government provide an additional budget allocation to assist the introduction of the concessional fee-for-service by Austrade.

Austrade believes that under its three-tier pricing structure a subsidy is already built into Austrade pricing.

Recommendation 26
The Committee recommends that Austrade show separately the information on key performance indicators for South America in its Annual Report.

Austrade will examine the feasibility of including regional-level performance details in future Annual Reports.

Recommendation 27
The Committee recommends that Austrade implement a publicity strategy to raise the profile of South America within the Australian community as a potential export and investment destination.

This objective is prominent in DFAT and Austrade's current joint Latin American Action Agenda. The portfolio was pleased with the results of the first “Latin America - Expand Your Horizons” nationwide seminar series in April 2000 and the second “Capture the Americas-Latin America” nationwide seminar series in March 2001. Both seminar series included Austrade Trade Commissioners from the region, DFAT representatives, key allies and exporters involved in Latin America. The series profiled Latin America as a potential export and investment destination as well as highlighting some of
the pitfalls exporters may experience when dealing with the region.

Recommendation 28
The Committee recommends that the Foreign Affairs and Trade Portfolio, as part of its Brazil sectoral papers series under the Latin America Action Agenda, prepare a paper on the services sector. The publication will specifically highlight opportunities in the services sector.

Recommendation 29
The Committee recommends that Austrade improve the quality of its presentation at international fairs and expositions to ensure that Australia is properly promoted. Austrade’s presence at fairs and exhibitions is usually of a high standard. An example from South America was the Austrade stand at Expomin in Santiago, Chile in May 2000. There were in excess of forty Australian companies exhibiting and the Australian Pavilion was the fourth largest country pavilion after the USA, Canada and Germany. The design and construction of the Pavilion cost USD30,000. Australian exhibitors forecast new business arising from the trade show over the next twelve months in excess of A$17 million. Eighty-five per cent of exhibitors rated the Pavilion design and facilities as excellent or very good; seventy-nine per cent rated Austrade’s service on site as excellent or very good.

Nevertheless, Austrade notes the views expressed in evidence before the Committee and is putting in place procedures to ensure that the best practice standards demonstrated at Expomin are applied at all other Australian promotions in the region.

Recommendation 30
The Committee recommends that EFIC actively participate in trade shows in South America focusing on the benefits over the long term rather than taking the short term outcome approach to participation. EFIC will consider opportunities to participate in trade shows in South America as they arise, on their merits. In consultation with Austrade and exporters, EFIC will consider participation taking account of all potential benefits of participation.

GOVERNMENT RESPONSE TO THE REPORT OF THE JOINT STANDING COMMITTEE ON TREATIES – REPORT NO.32

Recommendation
“...The Committee recommends that the Attorney-General and the Minister for Family and Community Services monitor the operation of the two child and spousal maintenance treaties to ensure that they operate in a fair and reasonable manner, without limiting the rights of custodial parents, non-custodial parents or children; or impeding the contact between non-custodial parents and their children. The monitoring should culminate in a comprehensive review of the operation of the treaties and their impact upon all parties three years after binding action is taken. A copy of the review report should be provided to the Joint Standing Committee on Treaties.”

Response
The Government welcomes the support by the Committee for accession to the Convention on the Recognition and Enforcement of Decisions Relating to Maintenance Obligations and for the conclusion of the Agreement between the Government of Australia and the Government of New Zealand on Child and Spousal Maintenance. The Government accepts the recommendation by the Committee that the operation of the two treaties should be monitored and that their operation and impact should be reviewed after three years. This work will be undertaken jointly by the Attorney-General’s Department and the Child Support Agency. A copy of the report on the proposed review will be provided to the Committee.

DOCUMENTS
Auditor-General’s Reports
Report No. 38 of 2000-01


CENTENARY OF THE FIRST MEETINGS OF THE HOUSES OF THE COMMONWEALTH PARLIAMENT

The DEPUTY PRESIDENT—I present letters relating to the centenary of the first meetings of the Houses of the Commonwealth Parliament from the Speaker of the Senate of the Republic of Poland (Professor Dr Alicja Grzeskowiak) and the President of the Senate of Romania (Mr Nicolae Vacaroiu)

GENETICALLY MODIFIED CROPS

The DEPUTY PRESIDENT—I present a response from the Minister for Health and Aged Care, Dr Wooldridge, to a resolution of
the Senate of 1 March 2001 concerning genetically modified crops in Tasmania.

**TAXATION LAWS AMENDMENT (SUPERANNUATION CONTRIBUTIONS) BILL 2000**

Report of Superannuation and Financial Services Committee

Senator WATSON (Tasmania) (4.00 p.m.)—I present the report of the Select Committee on Superannuation and Financial Services on issues arising from the committee’s report on the Taxation Laws Amendment (Superannuation Contributions) Bill 2000.

Ordered that the report be printed.

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

Leave granted.

Senator WATSON—I move:

That the Senate take note of the report.

The report I have presented today refers to in camera evidence taken by the committee. The matters reported on relate to those parts of the in camera evidence which the committee has determined, with the agreement of the witnesses, to disclose.

Senator WEST (New South Wales) (4.01 p.m.)—I also wish to speak on this report and I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**DATACASTING**

Senator MARK BISHOP (Western Australia) (4.02 p.m.)—I move:

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.

Today I rise to speak to the motion in my name regarding the government’s policy on datacasting. At the outset, I think it is fair to say that this government has failed dismally in the creation and implementation of a successful datacasting regime. Not that this is surprising, given the government’s appalling track record on policy within the communications portfolio and its general lack of vision for this country’s future. Today I wish to discuss the three major issues raised in the motion: firstly, why the government is responsible for the cancellation of the datacasting spectrum auction; secondly, the impact of the government’s failure to get datacasting services up and running in any timely manner; and, finally, why it is important that the government act expeditiously to create a new, viable policy framework for datacasting.

Turning now to the first issue: why the spectrum option was cancelled. A couple of weeks ago the Minister for Communications, Information Technology and the Arts directed the Australian Communications Authority, the ACA, to cancel the auction of datacasting transmitter licences, scheduled for 21 May this year. Of course, the government did not really have any option. Only three registered applicants remained in the auction. There were at least five markets where there was only one bidder and three where there were only two bidders. There was not going to be any competitive bidding at the auction and, even if the bidders had taken up the full number of licences they were eligible for, only NTL would have been in a position to provide a datacasting service outside of Sydney and Melbourne.

Had the auction proceeded, the lack of interested bidders would have resulted in a disappointing outcome for consumers in terms of the range and extent of new services available and the failure to maximise the value of the spectrum, which would have been an unsatisfactory result for both the Commonwealth and the taxpayers. Ultimately, the minister decided that continuing the auction with the limited number of applicants was contrary to the public interest. But the question that remains unanswered is: why was there such a limited number of appli-
cants? That is an easy question for the opposition to answer. Last year, when the government introduced the Broadcasting Services Amendment (Digital Television and Datacasting) Bill 2000, the opposition warned the government that its proposed datacasting regime would not work. The digital television and datacasting bill sought to implement the government’s vision for Australia’s transition to the new digital era in television—some vision that has proved to be!

As we have seen so often from this government, this was a policy that demonstrated an absolute dearth of vision. The government had the opportunity to lead Australia into a whole range of new and innovative services, including datacasting. Instead, the government shied away from the challenge and put in place a regulatory framework that was so unworkable and unviable that hardly any firm, any company or any corporation in the industry was interested in purchasing the spectrum required to offer these new services. All of the major content providers shunned the datacasting auction. News Ltd never entered the bidding, while another major content provider, John Fairfax Ltd, pulled out very early on. Telstra also withdrew from the auction, a clear signal that there was no viable business case for datacasting under the government’s genre specific regime, recently enshrined in their legislation last year. In his reasons for cancelling the auction, the minister stated:

There are at least five markets where only one new service provider will emerge—a less than optimal outcome for the community in terms of the benefits it could have expected from new services.

He said that there was:

... a lack of competitive tension in five markets, and the likelihood of weak competitive tension in the three markets where there are two bidders.

He said:

This situation is unlikely to maximise financial returns to the Commonwealth Government and the community, for the use of the spectrum.

The auction failure and the reasons for it are a serious indictment of the government’s failed policy. Earlier this year I called on the government to suspend the datacasting auction. In response to that call, Senator Alston stated:

I note with interest that there are seven applicants, with all the usual suspects—directly or indirectly. We believe that process should be able to get up and running as soon as possible ...

The minister’s deliberate comment at that time suggested there was no need for change to the datacasting regime because there were so many registered applicants who would participate in the bidding process for this spectrum. What is the minister’s position now, considering that most of the applicants withdrew from the auction, which caused it to be cancelled? Some comments that the minister made in the context of datacasting are quite intriguing. Earlier this year, Senator Alston said:

Our job—that is, the job of the government—is to put an environment in place and see what the response is. In terms of the accompanying datacasting regime, auctioning off the spectrum and enabling new players to come in and offer new services that are complementary, that seems to us to be about as much as you could expect of the government. We are not in the business; we are simply putting the rules in place.

Minister Alston outlined the role of the government in this whole area, which was to put in place the rules by which interested parties could come in and bid and work under a regime to establish a new industry. The government has not managed to achieve even those simple objectives. The government has not put in place an adequate datacasting regime. The government has failed in its attempts to auction off the spectrum, and the government has thus far failed to enable new players to come in and offer new services that are complementary, because there are neither existing nor new players. In what should have been a growth industry, with a range of interested parties bidding and developing new products, there is instead nothing—there is a vacuum. Nothing that is ongoing has been created in the last 12 months.

The government has not put in place a regime that is at all attractive to players. Its regime—the regime that Labor opposed less than 12 months ago in this place—can only
be characterised as a comprehensive failure. The problems with the government’s datacasting regime have been obvious for some time now. Labor have consistently pointed out that the government’s genre specific datacasting regime is far too restrictive. Time and time again in this place, and in other places, opposition senators and members have pointed out that the nature of failure derives directly from the government’s genre specific datacasting regime, which we characterise—and nearly every interested observer characterises—as being simply too restrictive.

Datacasting is a critical emerging industry for the passage of information in our society. Last year in June, during the debate on the digital television and datacasting bill, I stated several times that the definition of ‘datacasting’, as it then stood in the bill, was overly restrictive, complicated and went beyond restricting datacasting to services that do not constitute broadcasting. At that time, the opposition sought to amend the definition to remove the artificial and unnecessary limits on datacasting whilst ensuring that datacasting could not be de facto broadcasting, consistent with the 1998 legislative framework which all major parties agreed to work under.

The government’s genre based content definition of datacasting has proved inappropriate. Labor warned about that then and have warned about it since, almost on a monthly basis in this place, in estimates hearings and in public forums. Along with our warnings, we tried on more than one occasion to give the government an opportunity to put in place a more workable datacasting regime prior to the datacasting spectrum auction. On every occasion, the government refused to accept that opportunity. On every occasion, Minister Alston rejected our overtures. On every occasion, Minister Alston pooh-poohed our suggestions. No change occurred and the government refused to accept the opportunity for change that was offered to them by the opposition.

The recent cancellation of the spectrum auction is further proof of the serious flaws in the government’s digital television policy and the government’s failure to successfully implement the introduction of digital television into Australia. In this chamber, in February this year, I said:

We can tell the government now, just as we warned it seven months ago, that its datacasting regime will similarly be a dismal failure if it remains in its present form.

Our concerns that the government’s regime was seriously flawed and inadequate for the purpose have, unfortunately, been confirmed. The government’s misplaced confidence in its datacasting regime and the resultant auction cancellation have severely damaged Australia’s potential to build international credentials as a new economy.

It is also of concern to the opposition that datacasting is not the only area where the government has failed to manage the introduction of digital television. After almost five months, fewer than 3,000 Australian homes are watching digital television today. The figure is embarrassingly low, and the low level of take-up compromises the entire digital transition. The Howard government has demonstrated that it is incapable of managing a technological transition that is fundamental to the economic, technological, social and cultural future of Australia. It is time for the government to reconsider the future of datacasting and to come up with a sensible, viable regime.

My second point is that there are important economic, technological and consumer benefits that will not result from datacasting until—and only until—a workable regime is put in place. The Productivity Commission, in its comprehensive report on broadcasting last year, noted the flaws then of the government’s policy. The commission’s report stated that the government’s policy relating to datacasting:

... stifles competition and innovation and is at odds with major tenets of mainstream broadcasting policy.

The commission considered the regulatory restrictions and said that they:

... will be costly to Australian consumers and businesses alike ... delay consumer adoption of digital technology and deprive business of opportunities to develop new products and services for the world as well as Australian markets.
There was considerable support during the digital television bill inquiry for the Productivity Commission’s position that prescriptive regulation would be detrimental to the emergent industry and consumers. It is the consequences of the detriment to the industry and consumers that are of particular concern. The regulatory regime established is having—and will have—particularly adverse consequences for consumers in rural and regional Australia who otherwise stand to gain so much from an effective and viable regime.

These are serious concerns which need to be addressed immediately so that Australian consumers will not be negatively impacted due to the inability to provide the full range of new digital services. The regulatory framework must not continue to limit or suppress the viability of this emerging industry. The opposition is, and has been, of the view that digital broadcasting represents an opportunity to encourage the development of new and innovative uses of broadcast technology. It is crucial that this emergent industry is not stifled in its development and innovative capacity by overly restrictive regulation. If it is, the benefits for Australia’s technological advancement, improved consumer services and employment and economic opportunities will be constrained, if not totally wasted.

The potential for datacasting to deliver new services, particularly to rural and regional Australia, is an opportunity that we should be making the most of and the government should be seriously listening. It is an opportunity that we should be grasping with both hands so that the hundreds of millions of dollars that are available for investment are indeed invested and the new firms, new services, new products and all of the benefits that go along with that sort of investment, do flow throughout this country.

In summary, the opposition stated time and again during the various debates on datacasting in June last year—and again in February this year—our belief that excessive regulation in this instance would have consequences for Australia’s technological advancement, improved consumer services and employment and economic opportunities. Unfortunately, we were right. There is now proof of those harmful consequences to which we sought to alert the government. Unfortunately for Australian consumers and taxpayers, the government chose not to heed our warnings. The government chose to ignore the position we were putting on the table in the negotiation process and debate process in this chamber. Embarrassingly, at the end, the government had to cancel the datacasting auction. Given that the cancellation of the auction was the direct consequence of the unviability of the government’s datacasting regime, and that as a consequence Australians are being deprived of these potentially valuable services, the opposition calls on the government to act immediately. We call on the government to rectify the problem it has created, as much as possible at this late stage, by creating a viable policy framework for the datacasting industry.

In conclusion, I will restate the concerns of the opposition, the Australian Labor Party. We have serious concerns that the entire digital television and datacasting policy of the government has failed and is not merely at risk of failure, as we alleged 12 months ago. It has now proven to be an absolute and total failure. The failure and cancellation of the datacasting spectrum auction constitutes irrefutable proof that the datacasting regime put in place by this government is unworkable and no longer viable. Meanwhile, datacasting services could be valuable to Australia technologically, economically and by providing a new consumer service. These services would be particularly valuable to rural and regional Australians and indeed to consumers around the entire country.

Those sorts of services are developing in Europe, in the United States and in parts of Asia. There is a ready market there. There is a ready market both at the retail level and at the wholesale level. Experience overseas shows that, when you get the policy framework right and the regulations are appropriate to the needs of an emerging and developing industry, large amounts of investment flow. We have not seen those benefits in this country. We have not seen any change since 30 June last year. We have not seen existing
firms or new firms develop; we have not seen any new services offered to firms right across this country. The reason those services have not been offered, the reason there is not massive investment in the industry, the reason there is not adequate competition, the reason that firms are boycotting purchase of the spectrum and the reason that firms are not investing in the industry goes back to the unsuitability and the unworkability of the policy deliberately devised, implemented and created by this government.

The opposition says that, if the government does not resolve this issue in the immediate future, the damage to potential datacasting industry could well be irreparable. The opposition urges the government to change its practice and to alter its policy. We believe the government must deliver, as a matter of urgency, a viable datacasting policy before its present policy causes any further damage.

Senator EGGLESTON (Western Australia) (4.22 p.m.)—It is interesting that this issue of datacasting is being raised at the present time. I do not think that digital television or datacasting are issues which the Australian public would regard as a very high priority this week. The big news of this week, I believe, is the budget. The government brought down a very strong budget on Tuesday night. It shows that this is a government of fiscal responsibility. It is a balanced budget and one that has provided great benefits to older Australians and further tax cuts. It has done a lot to enhance Australia’s health as well as to provide services to rural and regional Australia. It has safeguarded our natural resources and addressed the problems of indigenous Australians. There are a lot of very big issues there. I think it is very strange that, in a week when these big issues are before the parliament of Australia, Senator Bishop should reach down into the bag and pull out datacasting. It is not exactly a big ticket item. We have to wonder why it is that, in this week of all weeks, the Labor Party have dug up datacasting again. It is a funny, funny thing.

Senator McGauran interjecting—

Senator EGGLESTON—Senator McGauran says that the Labor Party have obviously run out of policies, and I suspect that might have a grain of truth in it, or perhaps a bagful of truth. If Labor have to dig up and beat up an issue about datacasting when the big news of the week is the budget, and when they have to defend their dismal economic record in the period they were in office, they must be really dragging around the bottom of the barrel.

Let us remember Labor’s economic management when they were in office. They had a $10 billion black hole that we have all heard about, but the Commonwealth government itself had an $80 billion debt of which the Howard government have paid off $60 billion. That means that, instead of paying $8 billion a year in interest to service the Commonwealth government’s debt, we now only have to pay something like $4 billion, and it is dropping day by day. That means there is that much extra money available for services to the people of Australia. We have paid off the debts that Labor left, and we are providing better economic management and better services to the people of Australia. I repeat, one can only wonder at the fact that the Labor Party have dug down into the bottom of the bag and pulled out this highly important issue—I do not think—of datacasting. They have presented this as an urgency motion this afternoon, before we hear Comrade Kim’s response to the budget brought forward by Peter Costello. This is his sixth budget in succession, which have all been very successful—

The ACTING DEPUTY PRESIDENT (Senator Ferguson)—Senator Eggleston, I must draw your attention to this. You must address people in the other place by their proper title.

Senator EGGLESTON—Mr Kim Beazley, the member for Brand, who is the Leader of the Opposition. I should not have called him ‘Comrade Kim’, I agree. I will not do it again.

Senator McGauran—That is Kim Carr.

Senator EGGLESTON—That is right. Mr Beazley will be delivering Labor’s answer to the budget this evening. The fact that Labor have to produce a diversion like datacasting this afternoon suggests that their
budget response this afternoon will not be riveting stuff. I do not think that anybody will be hanging off their seats to hear what Mr Beazley has to say. If Mr Beazley were honest, I am sure he would say that they were going back to the bad old economic management habits they had when they were in office for 13 years and when they left this country $10 billion in debt and the Commonwealth with an $80 billion debt of its own.

Let us look at this issue of datacasting. First of all, digital television is a very new technology. It is a new way of doing things in terms of television. Like all new technologies, it has to progress slowly. I heard the other day a program on the radio about the Wright brothers and the development of aviation. It told how they put together, with a bit of wood and glue and string, an elaborate sophisticated box kite with an engine on one end of it and a controlling device. It flew 800 yards, and that was the first flight. Aeroplanes have come a long way from that first flight to a 747. We have a new technology and we cannot expect to produce or to have something as sophisticated—as a 747 in 1915 or 1920. Digital television and digital technology have been around for a while, but there is still a long way to go in terms of developing the technology as a television system.

Contrary to what Senator Bishop said towards the end of his contribution, digital television has not—and I repeat that word ‘not’—been taken up in any great numbers anywhere in the world. If you look around the world, the only country that has a high penetration of digital television is the United Kingdom, where BSkyB provides consumers with a set-top box free of charge to receive digital TV. In other countries, people have to buy the set-top box to convert their old analog television set into a set capable of receiving the digital signal. The set-top box can cost quite a lot of money—anywhere between $600 and $1,000. The average person in the street in most countries does not feel like paying that sort of money when they have what they think is perfectly adequate analog television reception in their own home.

There is digital television across Europe, including Spain, Germany and France. Canal Plus has a great digital television production set-up in France, but the penetration of digital television into the community is not very great at all. That is quite different from the kind of picture that Mark Bishop sought to paint. The penetration of digital television, in particular high-definition digital television, is just as poor in the United States as it is in Europe and elsewhere in the world. A high-definition digital television set costs something like $25,000 to $30,000. In the United States there are about 50,000 in the shops, but not too many in people’s homes because not too many people are prepared to pay that kind of money for a television set—surprise, surprise!

In Australia, it is true that the uptake of digital television is slow, but the set-top boxes which are available at the moment are very complicated, and I am told one almost needs an electronics degree to be able to work them. In the coming year, however, a very simple set-top box will be available. Even Senator Lundy’s children will be able to get it to work by the press of a button.

Senator Lundy—Don’t mention my kids!

Senator EGGLESTON—I apologise, Senator Lundy. I did not mean to bring your children into it in a critical way. I am just saying that anybody’s children will be able to use the new generation of set-top boxes. One of the problems with the introduction of digital television in Australia has been the kind of set-top boxes that are available. Let us face it: digital TV was only introduced on 1 January this year. We are, as of today, at 24 May. It is new technology. By and large people are quite happy with the analog sets they have in their homes. As anticipated, they do not yet feel particularly conscious of the need to change to a digital television regime, because they do not really understand what it is and how it will work. As I have said, on top of that there is the question of the set-top boxes, which are very difficult to use. There are a few other problems associated with the introduction of general digital television, but I do not propose to go into them.

What we are talking about today is datacasting. The Australian government sought
to do something different, innovative and new with datacasting. We set up a system under which the free-to-air television companies in Australia could have access to spectrum to provide digital television to the Australian public. In addition, we provided that there should be two channels available in various areas which would provide this new thing called datacasting. Datacasting was not, as the people who have followed this debate know, to be another television channel. It was to be a channel that could provide, for example, information only programs, including matter that enabled people to carry out transactions; education programs; interactive computer games; content in the form of still or fixed visual images; parliamentary broadcasts, which of course would be of great interest to the people of Australia; electronic mail—in other words, email; and the Internet. So you could have the Internet on your home TV, subject to the provision to prevent Internet carriage services being used to circumvent the restrictions which will be placed on these channels being used as ordinary television channels. News and current affairs programs were to be permitted. Programs on business and financial information were to be permitted, as were weather bulletins. It was decided that these could be provided either in the form of short broadcast bulletins or through the interactive selection of stories, individual news items and topics.

It was a very interesting thing that the Australian government sought to do. The government did provide that free-to-air broadcasters who owned a digital channel could use that channel for datacasting after a year of digital broadcasting, but there was a general prohibition on the introduction of new free-to-air television channels in Australia until 1 January 2007. The government did not want people or companies to get a datacasting channel and simply use it as a free-to-air digital television channel in competition with the other free-to-air television services, because the free-to-air television services in Australia were spending a lot of money to convert to digital television, as the government required them to. They deserved and got some protection.

Now we come back to the question of whether that was a reasonable genre or regime for the government to set up—a regime under which we defined datacasting. I think there is very little disagreement that it was a reasonable way of doing it. We were trying to do something different and new, something that was not being done in the United States or in Europe. We thought we would see whether there was a market for data to be broadcast by digital means, so we made these channels available.

As it happens, the government did cancel the auction for the spectrum of datacasting, and there were very good and responsible reasons for doing that—reasons which Senator Bishop does not appear to understand but which any reasonable observer would see as responsible. As he alluded to, these reasons were that in five of the potential markets there was only one group interested in providing datacasting. In three of the potential markets, there were only two groups interested in providing datacasting. That meant that any company seeking a datacasting channel would get a digital channel and would get spectrum at an auction at which, in five cases, they were the only bidder or, in three other cases, there were only two bidders. It turns out that, although there were eight channels available, there were only three companies bidding. They could have done a bit of a deal among themselves and decided that a couple of them could have two each and one of the others could have two or more. There was not enough competition in the market at that stage.

Is that a reason to be critical of the government and to believe Senator Bishop’s statement that, because there was not enough competition in the market for datacasting, that in some way adversely reflected on the government? Of course it does not adversely reflect on the government! Digital television, as we have said, is a new technology. The pure television form is very slow to develop in Australia, as we have said; the uptake has been very slow, just as it has been in every other country—except the United Kingdom, where BSkyB is providing set-top boxes free of charge. It is hardly surprising that, given the slow development of this industry in
Australia for ordinary television, there has been a lack of interest and a lack of real focus on what datacasting, a fairly weak market, could be.

These licences were being offered for a period of 10 years, with the ability to seek renewal for a further five years. So if any one of those three companies which had been interested in getting spectrum for datacasting had succeeded, they would have had this spectrum for 15 years and they would have got it very cheaply. It is possible, of course, as people who know about these issues are aware, that the government would have permitted that datacasting channel to be converted to an ordinary television channel in due course. So they would have got the spectrum for an ordinary television channel extremely cheaply.

The government then made the responsible decision, believing that the market had not matured enough, that there was not enough sophisticated interest in the question of datacasting for the auction to proceed, and so, wisely and prudently—as is characteristic of the Howard government—the auction was cancelled in the interests of the people of Australia. We have to ask whether this means that datacasting will never occur and whether the cancellation of the auction is likely to slow the development of interactive television services in Australia in the long run. The answer is that it will not. We have to wait for the digital television industry to mature and, as it matures, datacasting will in time develop.

The Australian government took a rather bold and innovative decision to establish datacasting and it seems that the time frame was not right and that this auction was held too early in the development of the industry. So the government made the very wise decision not to proceed with the auction. There was, in any case, due to be a review of the datacasting regime conducted before 1 January 2003. We have about another 18 months to go before that review is due to be completed. That will be done, taking into consideration the overall development of the digital television industry in Australia.

Far from Senator Bishop’s motion—in which he talks about the failure to create a workable datacasting regime and condemns the government for its unworkable regime, which he says is denying Australians access to the advantages of this new technology, particularly in rural and regional Australia—having any validity, the situation is that this government has acted in a very responsible way and is letting digital television develop in its own way. I am sure that it will develop much more quickly once the new generation of set-top boxes is available, and datacasting will follow in due course. In the end, Australia will have a very sound and effective digital television regime and it will be a sound and effective regime delivered by the Howard government, just as everything else the Howard government has done for Australia has been done in the context of sound, effective and responsible public policy. This is evidenced by the budget of last Tuesday night where, for the sixth time, this government delivered a very sound, responsible and effective budget. This has been a responsible decision and we should let a little bit more time flow and let the Australian digital television industry and datacasting regime develop normally.

Senator BOURNE (New South Wales) (4.42 p.m.)—I was interested to see Senator Bishop move this motion. I have always found Senator Bishop to be a very pleasant and straightforward person to deal with. But it seems to me that, in moving this motion, he either has forgotten or is rewriting the history of the datacasting regime and how it came about. We all remember the debate on datacasting and the legislation last year, which finished in June. Datacasting was one of the most significant aspects of that legislation, and the rules for datacasting were among the most keenly debated aspects of the legislation. I had more representations on those datacasting rules than I had on pretty well anything else to do with that legislation.

It became obvious pretty early on that there was a lot of interest from people who have a lot of influence already in the Australian media and who have a fair bit of money that they can use on this sort of thing, and fair enough. There was a lot of power and influence involved. In March, the government came up with their set of genre rules,
and I was very disappointed in them. I did not think they were going to provide anything new or innovative—and, as it turns out, they probably will not. The opposition came up with its own set of rules which, excepting one in particular, I thought were very good. I came up with a set of rules of my own, which were similar to the way in which we in Australia used to allocate broadcasting licences for radio—a way in which, I understand, from reading a few articles in the Age and the Australian, is coming back into vogue in Europe. People are going away from the notion of just spending money on spectrum and towards spectrum being allocated not just according to how much you can pay but according to what you intend to do with that spectrum as well.

We had the three different sets of rules. The ALP set of rules, while it was substantially very good and could have produced new and innovative services—and I still think it could—I was advised had one significant flaw. That flaw was that the ALP’s regime technically would allow the production and transmission of a free-to-air broadcasting station under another guise. That is something we all agreed we did not want. The government, the opposition and the Democrats—everybody—agreed that we did not want that. Sadly, the ALP would not consider any amendment at all to their datacasting regime. They would not consider an amendment of mine and they would not consider anything. I do not think it was anybody in this chamber who refused to consider it; I think it was the person in the other chamber who looks after it. There was an absolute refusal to consider any amendment.

What that led to was that I could not responsibly allow that to happen if I did not want to see another free-to-air broadcast channel—and of course the ALP say they did not want to either. So I could not vote for their datacasting regime. I would have preferred to have done that. If it had been changed at all—even if they had not considered my own amendment but their own amendment—then I would have, but they just utterly refused to consider any amendment at all. That is very sad, and that was a very significant part of why we ended up with this regime. The ALP also utterly and completely refused to consider my regime, as did the government—and they still do. We are coming back to it again, of course.

What do we want out of datacasting? We want something new and innovative in what we see and what we can do with it, and we want something new and innovative—well I do, at any rate—in the players who are involved. We do not just want the same people who have been doing broadcasting forever to be doing this. The fact that so few licences were available would mean that they would be very expensive. That would mean that it would have to be somebody with lots of money who bought them. And that would mean, very likely, that we would have the same old people doing it.

There are ways to get around that, and in fact I think the ALP’s regime, barring this one provision, was one way to get around that. I still think that. If we want that, we have to look at several things. We have to look at a new datacasting regime, and I hope we will do that. I hope we will look again at all the ones that were on the table before. I hope that the government will consult with everybody, and I hope that the ALP will agree to consult as well. I am certainly happy to. We can probably come up with something that we can agree on that would work. I think so and I would certainly hope so.

The other thing we have to look at is whether or not we can have more than the very restricted number of licences that are currently available. We can do that too if we look again at the single frequency networks, at how we broadcast within Australia and at how the spectrum is used. It is worthwhile doing that so we can have more licences in capital cities and more licences elsewhere, consequently, that will be able to be used for datacasting or other purposes. It is a bit of a waste of spectrum not to do that. It is possible to do. There would be some tweaking, and we have known that all along. Some places would have to have some minor changes and some would have to have some significant changes to the way the transmission is carried out and accepted. But the
benefits of that would more than outweigh the problems, and they would more than outweigh the amount of money that would have to be spent to ensure that all Australians could receive free-to-air television and therefore receive any datacasting that was on the air if they had the right reception equipment.

If we want all that out of datacasting, was the government’s regime the way to get it? No, we all knew it was never the way to get that. Was the Democrats’ regime the way to get it? Yes, absolutely. I firmly believed that, but nobody would talk to me about it. If they would like to now, I can try and convince them of it. Would the ALP’s regime have been the way to get it? Possibly, if that part of it had been amended. We should be having a look at that again. What were the likely outcomes if we had had the auction? There are so few licences, and, as Senator Eggleston said, there is always the possibility that the licences could have been converted to broadcasting licences—although the owners of the licences would still have had to, as I understand it, come under Australia’s current restrictions on foreign ownership and cross media ownership, unless those restrictions were changed. If they did come through that and if they did apply for a changeover to a broadcasting licence in the future, it seems that they could have got that. So those licences could and would have been very valuable.

To have any interest in that you would need: (a) lots of money and (b) the knowledge and the background in how to broadcast and what is the best thing to do. So it looks like the people who would have applied for these licences would want to broadcast and would have the knowledge in the first place of how to broadcast. We then would have been back to the usual players that we have always had. Possibly the usual players could have put up new and innovative services. In fact, certainly they could have if they had wanted to. But we would have had very few new people in it, and we should have looked more closely at what was going on and at how we could get new players into this industry. There are ways to do it and, again, if the government would like to explore that, it is more than possible. I hope they will do that. I know they have given up on this for the moment, and I think that is very sensible because under the current regime we are going absolutely nowhere, but it is possible to do in the future.

The only other thing I would like to say is that I think Senator Bishop has been rewriting history in this debate—sadly. It is true that the government did fail ‘to create a sensible, workable datacasting regime’ and that has ‘resulted in the cancellation of its proposed auction of datacasting spectrum’. It is true that the government’s regime was unworkable, I believe—we did not try to work it, but I believe it was unworkable—and that prevented ‘Australians from reaping the economic and technological benefits of datacasting and the advantages of a new innovative consumer service’. I would like to call on the government ‘to create a viable policy framework for the datacasting industry to replace the restrictive and unworkable existing regime’. I agree with all of that. However, if we are condemning the government, I think we should condemn the opposition as well. So I intend to move an amendment in the following terms:

At the end of the motion, add:

“; and (d) condemns the Opposition for refusing to even consider any amendments to their own datacasting regime, or to consider any alternative datacasting regimes, thereby ensuring that neither their datacasting regime nor any regime other than the Government’s would be passed into legislation”.

Because of course that is what happened, and it is really sad that that happened. We had a golden opportunity to do something that would have been of advantage to Australians, and we did not. We did not because (a) the government would not consider any other regime and (b) neither would the opposition—just would not—and would not consider any amendments to their own regimes. We are not going to get anywhere if we keep going like that.

This one has fallen down, and I am not surprised. I expected it to—everybody expected it to; I was not alone—and it has. But I think we can come up with a much better
regime, and in particular if the opposition are prepared to discuss amendments or even look at their own amendments to their own regime, I still think it is worth while looking at that. I naturally think it is very worth while looking at my own but I am more than happy to discuss with anybody new legislation about this. We have to do that. Nobody is going to come out of the woodwork and make that auction possible now under this regime, so we have to look at a new regime.

The way to do it is to have consultation throughout the chamber and for all of us to be prepared to look at amendments to our own regimes, or to look at something completely different. There may be something completely new that none of us has thought of yet but that somebody out there has thought of that would work. We have to look at that. We have to look at better ways of using the spectrum. I was very disappointed when the single frequency network did not seem to be considered at all, and I still think it should be. We have to look at ways in which we can create something new and innovative. I know we keep saying that, but it is about time we actually did it. I am looking forward to that happening. I now move:

At the end of the motion, add:

“; and (d) condemns the Opposition for refusing to even consider any amendments to their own datacasting regime, or to consider any alternative datacasting regimes, thereby ensuring that neither their datacasting regime nor any regime other than the Government’s would be passed into legislation”.

With that amendment in, I am happy to vote for the motion.

Senator LUNDY (Australian Capital Territory) (4.55 p.m.)—I rise to speak to the motion moved by my colleague Senator Bishop. It is worth while having a look at a bit of history over this datacasting debate. It comes back to the role of public policy in establishing the content rules. In relation to new technologies such as digital TV or datacasting, unless that original motivation of the government is in the right place and correct, then of course they are going to get the answers wrong. I contend that in fact the government did not understand what the public policy motivation was for getting involved in the datacasting debate or the digital TV debate in the very first instance. There is no doubt that there was a global trend and emerging technologies that were worthy of consideration, were worthy of looking at and particularly worthy of extracting whatever opportunities existed for all of Australia, including our citizens, from the emergence of these technologies.

But I also contend that the coalition government did not take a higher public policy perspective on the issue of these emerging technologies and what opportunities existed. Rather, they quite willingly assumed the place of arbitrator between the vested interests and proceeded to construct a policy as an arbitrator between those interests without a view to a couple of key issues. One of those issues is: what is the reason for there to be public policy surrounding media and media policy? I believe the reason is to create an optimal environment for the citizens of the country—that is, the reason you have public policy, the reason you have cross-media ownership rules and the reason you have broadcasting legislation is to create an optimal environment for how citizens receive information and entertainment. That is about diversity and it is about quality. It is about ensuring that you can manage a regulatory regime that pursues those optimal outcomes. That is the higher public policy motivation as to why governments get involved in these types of policy areas anyway—or it should be. The vested interests, the players in it, are no doubt always a part of that negotiation and a part of that ongoing conversation between the government and everybody else. But they should not drive, control or manage the debate.

So what happened? I have seen Senator Alston position himself firmly between those with enough money and resources representing the vested interests and quite happy to be pitched at on the various ideas and approaches to how we should look at digital datacasting. It was reasonably easy to conclude in the very early stages of this debate, back in 1998, that the government was going to firmly position itself between those vested
interests and arbitrate between the positions they presented to them. And that is in fact what they did. What we had in the very first instance was a public policy contrived to suit the needs of those who were advocating their position to the government. There was no stepping outside of that room and looking at what the broader public policy motivations should be with respect to media content, digital TV and the future of datacasting. From the very start, it placed us in a very difficult position of constructing a regime that suited the incumbents.

It is also worth reflecting on what those interests were. Running a media business these days, I am sure, is very complex. There are very interesting and quite well defined revenue streams that determine whether or not those businesses are profitable. It is also very interesting to note that the worst thing that could possibly happen to those businesses that have put themselves out there is that that business model gets fiddled with, particularly fiddled with by a government. There was a powerful reason for the incumbent interests to spend a lot of money on investing in how public policy constructed itself around what could conceivably be a threat not only to their revenue streams but also to the products that they offered to the Australian public in terms of media. And that threat had to be dealt with.

Over time, beyond that original 1998 debate, we saw just how keen those incumbent interests in broadcasting were; we saw what lengths they would go to to protect their place in the market and to fend off potential new entrants that could emerge by virtue of accessing the digital spectrum and providing a new kind of service, a digital service, that looked a little more like the Internet than the current broadcasting and started to embrace really interesting concepts such as one-to-one communication between content providers and users of technologies like the Internet and particular services that were offered, but perhaps not accessed, in the point-to-masses approach of broadcasting.

What would that do to revenue streams and advertising structures, and the way content was purchased and paid for by broadcasters? It became a very complex and interesting question. However, the bottom line was that the incumbent broadcasters, the free-to-airs, felt that it presented far too much of a threat to be worth contemplating in any constructive way. Effectively, they chose to embark on presenting a position to government that would protect their interests, but which would still provide them with a lever, a mechanism—or a funding proposal, if you like, in terms of free spectrum—to be able to get full value from moving into a digital environment, given that that was the way the technology was heading.

So the scenario is that the public policy motivation in the very first instance was completely misguided, true to form with the coalition government, who do not step outside of arbitrating between the vested interests. In terms of the actual motivation of the broadcasters, there is no doubt that their position was self-serving. There is no doubt that they were responding to a threat to their way of life and to their existing business models. I suppose, as corporate beings, you cannot blame them for that. It comes back to the motivation of making public policy in this area which should be about an optimal outcome for the citizens and that includes quality and diversity of content. Instantly, those two pressures are in conflict. The government chose not to take them on and proceeded to construct a regime that was to the significant advantage of the existing broadcasters.

While all this was going on, one of the fascinating aspects of the debate here in Australia was that it was so ill informed. There was an incredible emphasis on high definition television during the early stages of the debate as though it was the be-all and end-all of the digital product, to the exclusion of multichannelling for all but the public broadcaster, the ABC. That focus on HDTV really highlighted the fact that this was technological determinism on behalf of a government representing certain interests. It was technological determinism in the sense that a high definition standard requirement meant that those incumbents proposing to use the digital spectrum had to use more of it to get the same product across. That had the effect of consuming far more bandwidth than was
arguably necessary in the available digital spectrum space.

Let us not forget for a second that high definition TV standards in the early part of this debate were used primarily, in retrospect, as a tool to use up more bandwidth. What we know, and what we knew then, was that the demand for high definition television was even less than for standard definition television. The subsequent cost implications of mandating high definition television here in Australia were exposed when it became very clear that people would have to spend thousands of dollars. The government moved in response to that and provided for a standard definition television standard as well which had the ironic effect of using up even more bandwidth. However, at least that acknowledged that there was very little, if any, demand for the high definition television standard and, hence, the use of more bandwidth.

That backdown should not have been necessary. During that debate, you had only to look to Europe and to Britain to find that the demand for HDTV was not there. Both the regimes mentioned by Senator Eggleston this afternoon related specifically to the standard definition style of service. The debate had effectively been had and lost, in relation to HDTV, in other jurisdictions. However, the coalition held it up as a vanguard as to the way forward and why we should want it here.

For those in this house who were privy to various stunts at the time in relation to how fabulous HDTV would be, I point out that if you are the slightest bit shortsighted, it all meant nothing anyway. It was a ludicrous concept to insist on a standard of high definition which meant absolutely nothing to a large proportion of the population if you applied the commonsense, practical test.

Another issue at the time related to the standard provided for the set-top box. While I am having trouble tracking down the details, the issue of standards in the manufacturing technology of the set-top box became an issue as well. Again, lessons from the European states, from Britain and America, showed that how you manipulate the setting of standards for various technologies has a huge impact on availability of products to consumers, on product pricing and the proprietary nature of the technology being used. That was another area where the government displayed complete ignorance of the implications of their policy as they paid little mind to how the development of the standards for the set-top boxes was managed here. That resulted in a shortage of that technology, and those set-top boxes going to market very late. I can only speculate on the impact that had on pricing and issues like whether that technology was proprietary and available here in Australia at the time. These are complex and crucial issues if a government is so bold as to try and determine a certain technology and mandate it into a market.

I mentioned the ABC and multichanneling. One of the fascinating sidelines to this debate was the role of the ABC and the fact that it was afforded the privilege of being able to multichannel. The spike in the tail of the government, which I am sure caused great hilarity around those closed tables in cabinet and in Senator Alston’s office, was that they were not going to be provided with any funds to help manage the transition.

What a sweet trick that is! At the same time, they had Kroger and other political appointees on the ABC board advocating the sale of ABC Online. What a cute trick that was at the time—to hold up, in effect, this carrot of great promise of multichannelling for the ABC on digital spectrum and then to continue to starve the organisation from the possibility of actually doing it a service. Where the ABC had emerged to the forefront of world-class production of digital content through ABC Online, which is still the leader of the pack in the delivery of Internet news services that it has developed here in Australia, the government chose to try to deprive it of that by not giving it any funding or support to develop the product. What a sweet trick that was! Senator Alston could all but contain his glee at what a spike in the tail was at the time of last year’s budget debate. It just demonstrated again the extent to which this government was prepared to play games with digital TV and how it was implemented, particularly on the issue of multichannelling and what opportunities were afforded.
I have not even got to the issue of data-casting, genres and definitions yet. What I am trying to do here today is to explain the folly, step by step, of this government as they have moved through this debate, continually trying to protect the interests of the incumbents between whom they found themselves and continually thwarting what comes down to almost a core issue in the whole datacasting debate: what were the opportunities? I have talked about the negatives and the stifling that is going on and the fundamental stuff-ups, but what I have not talked about are the opportunities, and I would like to talk about them now.

The opportunities for Australia as a digital content provider are profound. They are so profound that they should form part of a core focus on what our opportunities are to develop a critical economic growth sector. We have a fantastic reputation for the production of cultural content around the world, whether it manifests itself in the form of popular movies, drama shows on TV, innovative web content, or electronic government services—from the finer points of metadata right through to a good-looking portal for a regional government service. This is what we are good at, and the world knows it. You would have thought that an opportunity to use public policy proactively to drive forward innovative digital content production would have been at the forefront of the minds of those developing a digital TV policy, how it related to datacasting and how that in turn related to what levers were available to drive digital content production to new heights in Australia.

The other thing we know about this sector of industry—information technologies, the Internet, et cetera—is that it is a significant growth sector. In fact, it is the biggest growth sector—it is the most dynamic growth sector. If you are going to construct an industry policy to make the best use of growth sectors in the economy and look at that from a relative point of view of what the growth sectors are in other economies around the world, surely this is the direction you would look in. But no. What we saw with datacasting and the digital TV debate was a view that almost came in from the opposite direction. Every opportunity that existed to promote digital TV and datacasting that would have led to more diverse quality content would have also served the dual public policy outcome of not just improving what citizens experience in terms of the information and entertainment that they got through their TV sets, but stimulating a crucial industry sector in the Australian economy.

The fact that the coalition government chose a different path makes the indictment all the more severe. In fact, it also raises questions about the level of commitment by those in the private sector who do have some responsibility when you look at some of the R&D figures and business investment in research and development. I now raise the issue of the incumbent free-to-air broadcasters: to what extent are they prepared, as private companies, to invest in new and innovative ways to deliver content and take on this challenge of developing new markets, new sources of revenue and interesting ways to deliver digital content in a datacasting format? They have the opportunity to do that, but they have chosen not to. Even now, we do not hear the voices of those in the private sector that often claim to be so important to our economic growth and our economic existence and everything that it is to be a viable economic contributor in a global economy. We do not see a lot of good ideas coming from there and we do not see a lot of investment. What we see is a huge amount of activity to present their current business structures and not step outside that. That is not an admirable place for them to be.

All of this, of course, reflects on Australia in a very holistic way. We become perceived as a nation that does not know where it is going and does not know its own strengths and weaknesses. We know that there is a demand out there for Australian content, and we know that there is an opportunity for the production of quality Australian content, be it cultural content, software applications, e-government services, hardware, software, network infrastructure—all of those ICT type commodities—yet others see a government constructing policies. The datacasting restrictions are one example; the Internet content proposals by the government are an-
other; and the lack of investment in innovation over the last five years is another. They all say one thing to the global economy and to global markets, and that is that we don’t get it—we don’t care. More than once I have accused Senator Alston of, unfortunately, assisting in giving Australia the reputation of being the global village idiot. No example more pertinent than this now-failed datacasting proposal by the coalition gives substance to that embarrassing claim.

I would like to support the comments of my colleague Senator Bishop, who dealt with the debacle in relation to the current collapse of the digital spectrum auction and the datacasting issue. There is no doubt that it was the expectation. There is no doubt that this policy was doomed to fail because its motivation was wrong in the first instance. I would like to close by refuting some of the claims of Senator Bourne, who has moved an amendment to the motion which somehow accuses Labor. What she says would be fine if there were any credibility associated with the Democrat amendment. The fact is there is not. We are the alternative government.

So it begs the question: why are we spending two hours this afternoon on a debate initiated by Senator Bishop on datacasting? Could there be a policy announcement in the wings? Could Senator Bishop know something that Senator Lundy does not? Is datacasting now at the top of the ALP policy agenda? Are we just hours away from a significant policy launch on datacasting? Are we at last going to know what the Labor Party’s policy agenda is on datacasting? I was consumed with excitement at the thought of it. At last—a policy agenda coming into the Senate! But once again my hopes have been dashed. We have not heard a single word about policy on datacasting. We heard plenty of talk about everything that everybody else has done wrong—everything that Senator Alston and Senator Bourne have done wrong—but nothing about what the ALP will do to put things right. It is a bit rich for Senator Bishop and Senator Lundy—the policy free zone once again—to come in and start talking about what we have done and what we have not done on the cancellation of datacasting licence auctions.

The decision to cancel the auction was made for a number of very important reasons, and they were explained very eloquently this afternoon by my colleague Senator Eggleston. We had a situation where there were at least five markets in which only one new service provider would emerge. Unlike those opposite, we are not comfortable with monopolies. We like to introduce competition and transparency into markets. We know that Labor may well have allowed this monopolistic situation to occur, but once again we can only actually guess it because we have not got the policy to refer to. But on
this side of the chamber we are committed to
introducing competition because we know
the benefits that this has brought to this
community.

Interestingly enough, some on the other
side do know those benefits and that is why
they have done a bit of privatising them-
selves in a dark room with the door shut and
the curtains pulled. Hopefully, nobody
knows too much about it! But of course the
community now knows that there is some
policy flexibility in some sections of the La-
bor Party.

The ALP may well have chosen a situa-
tion where in each of these five markets we
would have had a sole provider had the auc-
tion gone ahead but we realised that the out-
come for the community in terms of the pro-
vision of news services could well have
been, to put a good face on it, quite poor. Not
only would there have been a lack of compet-
tition in five of the markets but in a further
three markets the competition would have
been weak, as there were only two bidders.
Had we pursued this outcome, the financial
returns we could have expected would have
been less than optimal. Everybody knows
that while Labor readily accepts substandard
financial returns, we aim much higher. Of
course, this week’s budget has proved that: it
is testimony to it. Had we taken this option,
there is no doubt that Senator Bishop and
Senator Lundy would have been standing up
this afternoon criticising us for selling the
use of the spectrum so cheaply. Surely
Senator Bishop and Senator Lundy would
not have supported us selling these datacast-
ing transmission licences at prices way be-
low their long-term value. But then again,
who knows? We do not have a policy index
to refer to to find the answer.

One of the key points in this debate is that
the cancellation of the auction is highly un-
likely to slow down the development of in-
teractive television services in this country.
As Senator Bishop knows, the broadcasters
themselves have established a digital TV
strategy group, which is an industry wide
body committed to examining the technical
and marketing issues involved with the in-
troduction of interactive television. The
strategy group is working with manufactur-
ers and retailers to establish a fully coordi-
nated framework for the introduction of the
latest receiving equipment when it arrives.
Not only is the industry continuing the work
towards the introduction of interactive televi-
sion, but the free-to-air broadcasters will be
able, a year after the digital TV services start
up in their area, to provide datacasting serv-
ces themselves—surely an acceptable out-
come.

I am not sure how aware Senator Bishop
is of the legislation, but it clearly provides
for a review of the datacasting regime to be
conducted before 1 January 2003. It will be
from this review that the government will be
able to consider whether changes are needed
to be made to the regime.

Senator Schacht—You won’t be in gov-
ernment then, so don’t worry about it.

Senator Ferris—Senator Schacht, make
yourself comfortable over there; you
will be there for quite some time. It will be
this review we should adhere to, not the po-
titical rhetoric of Senator Bishop and poor
old Senator Schacht, who is facing the home
straight even as we speak.

The government examined the definition
of datacasting very thoroughly during the
reviews that it conducted in 1998 and 1999.
Detailed consideration was particularly given
to the ways of distinguishing between data-
casting and broadcasting. Further considera-
tion was made by a Senate committee and
while datacasting legislation was being pre-
pared for introduction into parliament. As a
result of that detailed consideration, some
amendments were made to modify the op-
eration of the regime which was then being
proposed by the government.

By the time the datacasting regime legis-
lation was passed by the parliament in June
last year, there had been 140 amendments
made to it. Indeed, the parliament not only
considered this issue last year and again in
debates on other legislation earlier this year
but also agreed on the model. It did not come
up with anything better. The clear conclusion
from this process was that a genre based ap-
proach to defining datacasting was the most
effective and practical means of providing
certainty to both broadcasters and data-
casters. It will ensure that datacasting is different from and yet complements traditional broadcasting. It is consistent with the moratorium on the provision of new commercial television services prior to the end of 2006.

The regime that we introduced allowed a very wide range of datacasting services to be provided. This included interactive computer games, education programs, email, Internet content and even parliamentary broadcasts. If we are able to get some subjects that are of relevance in budget week, we might be able to get some people to have a look at the broadcasts.

Curiously, in his notice of motion, Senator Bishop states that the government’s datacasting regime ‘is preventing Australians from reaping the economic and technological benefits of datacasting’. When I read that I thought: is this the preamble to a policy; are we now going to find out in Senator Bishop’s addressing of that particular section of the motion, what his alternative policy would be? But, no. The senator totally ignored the fact that one of the main reasons we cancelled the auction was that we did not want to sell an undervalued product, thereby short-changing the community. So Senator Bishop recognises the argument that was at the base of our decision, and he does not, interestingly enough, raise an alternative option.

More importantly, before Senator Bishop accuses this side of the chamber of preventing Australians from reaping the benefits of datacasting, he must realise that the entire broadcasting industry around the world is still in its infancy. It is a little bit like policy development in the Labor Party—it still has not quite got its legs. In fact, we were one of the first nations in the world to introduce digital television. In the United Kingdom and the United States the development of digital television has been particularly slow. In the USA, in particular, progress has been hampered by the problem of deciding what should be the appropriate standard. In any case, the services in these countries have not differed much from the traditional format that we are all familiar with.

I think many in the industry would acknowledge that the more advanced types of services have been slower to develop than was first expected. I wish Senator Bishop was still in the chamber so that I could see whether he would agree with me. He is probably in the press gallery. Because this issue is of such great moment on the night when we have the speech in reply on the budget, if he does not get up there early to sell the story, I doubt that he is going to get much of a run with it.

However, there are other factors that have conspired to slow the growth in datacasting, not the least of which is that the development of set-top boxes capable of providing interactive services is still under way. So before those opposite start blaming the government for not providing the benefits of datacasting, they must realise that this is still a growing industry. Those opposite need to be reminded that earlier this year alternative proposals for a datacasting regime were introduced into the parliament and yet again these proposals were rejected.

I conclude my contribution this afternoon by calling on Senator Bishop, Senator Lundy and their colleagues opposite to focus their attention just a little higher on some of the hot topics that are being debated in this building today—those issues that were covered in the budget that affect the lives of Australians and Australian families in this country today. The issues of health, welfare, education, security and older Australians are the issues that are actually part of the public debate. I remain puzzled as to why two hours of the Senate’s time this afternoon have been taken up by a debate on datacasting.

Senator SCHACHT (South Australia) (5.29 p.m.)—I rise to speak in this debate on datacasting. I was interested to hear the lame attempts of government representatives on the back bench to defend the indefensible. I would have been more interested to hear Senator Alston defend the shambles that has occurred in datacasting and broadcasting policy. Prior to the 1998 election, a bill on the introduction of datacasting was presented to the parliament by the government. At that time, the government attempted to bring in a regime that basically said, ‘The parliament passes legislation. Let us in government do, by administrative decision, all the definitions of what would be concluded as datacasting
and the technical descriptions of multichannelling and of high definition television.' The Senate quite rightly rejected that approach and said, 'When you've got those definitions and when the work being done on standards is completed, come back to the Senate and we will debate it then.'

The opposition agreed that there would be a moratorium on new commercial television licences to the middle of this decade, that there would be a starting date for digital broadcasting, which was 1 January this year, but that, before they started, the actual definitions would have to be approved by this parliament. The bill came in and, based on a wide-ranging view in the community that the government was far too restrictive in what it defined as datacasting in the new regime, we strongly supported the extension of multichannelling to the national broadcasters and, after some considerable reluctance on behalf of the government, the minister gave in and we were able to achieve for the ABC and SBS a level of multibroadcasting, to use a term from the new digital regime, so that they could provide a broader range of services in both the city areas and the country areas across the nation.

But the government rejected suggestions from the opposition and other minor parties in the Senate that they have a more liberal view of what would be allowed to be broadcast under the definition of 'datacasting'. Basically, the government were of the view that the only matter you could show on a data screen under these licences would probably be a form of printed pages being reproduced. Under that definition, that is a waste of the capability of digital broadcasting. But it has emerged over the last two to three years that the government have decided this policy not on what is of benefit to all Australians, in the national interest, but on what is the best deal they can make with various media operators in Australia.

For reasons they have never explained, the government decided they would align themselves with the existing television broadcasters, in particular Mr Packer and his company PBL, who owns Channel 9. This, of course, meant making enemies with the Fairfax organisation and News Ltd, who wanted to have a much broader definition of datacasting, for the very self-interested motive that this could be a backdoor way to get a television licence and get around the policy which the Labor Party has never deviated from over the last 20 years: if you want to own newspapers in Australia, you cannot own television licences; if you want to run television networks in Australia, you cannot own newspaper chains.

We believe very strongly in the policy of achieving the maximum diversity of ownership and plurality of content. The government do not believe in that. They believe in doing a deal that works out at the bottom line to be what is in their best interests in political terms. They decided that their best interests may well be with the existing television broadcasters, Mr Packer and others, and not with News Ltd or Fairfax. I have to say that there is a fair bit of teeth gnashing among many elements of the coalition about the Prime Minister having decided to throw in his lot with Mr Packer and PBL, rather than with Mr Murdoch. Of course, whenever a government tries to do a deal on media policy based on favouring one proprietor over the other, you usually end up with a mess on your hands. We now have a mess with datacasting and the associated arrangements.

The opposition has moved to a broader definition of digital data. My colleagues Senator Bishop and the shadow minister, Stephen Smith, warned in the last couple of years that the definition in the legislation was too restrictive, that datacasting would not be taken up and that it would not develop and provide a broader range of services in the broadcasting sector. The government said, 'No, this will be fine; it will be all okay.' In the last budget the government predicted that around $2.6 billion would come from spectrum auctions in this area, from people interested in the third generation spectrum auction and the datacasting auction. But what did they receive? They received only $1.1 billion; so they were $1½ billion short in their budget estimates.

So appalling has been their policy that no-one is willing to bid at all. So in the last month the minister had to humiliatedly back down and cancel any further auction. No-one
was going to bid for the spectrum—which it must be remembered is a national asset; the spectrum belongs to people of Australia and must be administered by the government through the elected parliament—because they could see no use for it. So the government shot itself in the foot. It so restricted the definition of what the spectrum could be used for that it could not get its own budget estimate up. The government lost over $1 billion, in their estimate.

Datacasting is not taking place because no-one is willing to pay the figure; they cannot see any value in it. This is one of the worst messes in broadcasting ever in Australia, and it is all at the hands of Senator Alston and the Prime Minister. We appreciate that from time to time even Senator Alston gets gazumped by the Prime Minister over what should be media policy. In the past, we have described how, on occasion, Minister Alston has been the doormat for the Prime Minister: the Prime Minister has undercut him, decided what the policy should be and then rung him and told him what the policy is. This is one example.

When Labor initially discussed the introduction of digital broadcasting with the possibility of datacasting and multichannelling, the arguments that the free-to-air stations gave were that the next generation—after colour television was introduced more than 25 years ago—would be broad screen digital high definition television and that this would have a capacity for higher clarity and bigger pictures, going from a six by four to cinemascope screen proportion. This seemed to be a reasonable thing to do and would provide a new opportunity for the consumer. But to many of us in the opposition, the most interesting thing was that such a screen would have the capacity to provide more information and much more flexibility to consumers in not only television broadcasting but also full interactivity. Instead of the old style small computer screens we presently have, we could have bigger screens with much more capacity to provide that interactivity. Many of us thought it was an excellent opportunity—HDTV broadcasting could be used for the full range of interactive services, it would put Australia at the very forefront of these developments and it would give us a technological edge in all sorts of ways.

We realised that the initial cost of these screens and HDTV would be very expensive, but this would ease once the market developed and a critical mass was reached—just as it did with colour television. When colour television first came in, the sets were very expensive. Within a couple of years, the prices came down substantially such that ordinary consumers could afford them. However, it was quite clear that the government could never get this to work because no-one was able to use the screen to do anything else other than to access normal television—the normal broadcasting of the national broadcasters and the commercial broadcasters. Why would you buy anything else when you could not access anything else because you were restricted by the law? That is where it fell down. So no mass market was created for HDTV, which would have driven the price down by spreading the cost over many more units. I understand that the costs are still more than $10,000 for a HDTV set, and they will not come down until people know that they will get not only a better picture but also a screen that has a greater capacity. This is where the government’s policy fell down.

The government could never get its head around the fact that the bandwidth that was available could be used to provide a broader range of broadcasting and other services, including datacasting. Initially I had no doubt that Mr Murdoch and the Fairfax organisation were hoping to pick up a television network licence for nothing. They were hoping to come through the backdoor of datacasting; they would not provide an additional service but would repeat what channels 10, 9 and 7 were already providing. I do not agree with that. I think we want a broader range of services, not repetition of the same services.

But again the government could not get it right. It did not give that opportunity for people to bid to provide a broad range of services. There were arcane debates about what the image and content should be on these screens. As I said before, it was made so restrictive that, in the end, it was like put-
ting a page of print on a screen and calling it the new data revolution. The new data revolution is not about reproducing a page of *Hansard* on a screen, but that is the definition that this government got itself involved in.

There were other issues. This government has a very conservative censorious attitude towards content. Trying to censor the Internet further compounded its problems, with its very strict 19th century attitude towards what adults can see, do and hear on an interactive electronic system.

All in all, nearly four years of lost opportunity has gone begging. The opportunity has gone for us to place ourselves ahead of the rest of the world, because this minister and the Prime Minister were only interested in doing a deal for their political benefit with a particular range of broadcasters. When Labor are in government by the end of this year—when we inherit this mess—we will have to revisit this legislation and restructure it so that people can genuinely be involved and new broadcasters, new forms of service delivery, new companies and new groups of people—whether they be in the commercial or the public sector—can have access to the digital revolution to provide better service.

I do not agree with automatically allowing the existing newspaper networks to come through the back door and use that as a way to get a cheap television licence so that they can compete and try to put Mr Packer or the other existing free-to-air broadcasters out of business. If that is allowed to happen, Mr Packer will argue that he should have a licence to buy a newspaper chain, if he can buy one. We should always be guided on policy in this area by the fundamental principle of diversity of ownership and plurality of content. That is the best way to ensure in a democratic society that the people have the fullest range of information. That is not a principle in which this government is interested. It wants a restrictive deal done with a couple of media organisations and personalities.

Self-interest is not unusual in politics from time to time—I accept that—and from time to time governments of all persuasions may have got a bit interested in making an arrangement with somebody or looking at a particular arrangement. But I would point out that the last time there was a major change to the structure of broadcasting ownership in this country was when the Hawke government in the mid-1980s changed the rules to say that you had to make your mind up: you could own either a television network or a newspaper chain.

Previous conservative governments, right back to the 1950s, have said to the existing newspaper chains, ‘We will give you a television network.’ Fairfax got Channel 7 and the Packer organisation, which then had the *Daily Telegraph* and the *Bulletin*, got Channel 9. That was the deal that was done. You had absolute concentration. We remade the rules to say, ‘Mr Packer, Mr Murdoch, you choose what you want but you cannot have both.’ They made their choices. Mr Packer chose television; Mr Murdoch chose the print network. If they want to come back and have a monopoly, I think that ought to be opposed in the public interest. We ought to be looking to use digital broadcasting and datacasting to create new entrants, not new monopolies, to add to our diversity. We know that this is a concept beyond the wit of this minister and this Prime Minister. This government is incapable of taking that national interest on board.

It is disappointing that we have had 5½ wasted years in broadcasting. The only policy that this Prime Minister is interested in is getting the ABC, destroying the ABC as a proper, independent national broadcaster. The government took $50 million out in the first budget of 1996 and now $17 million has been put back for regional and rural broadcasting. That does not put back into the base funding anything near what the government took out in 1996. At least the Senate did force the government to accept that the ABC and the SBS have the right to multichannel. I look forward to seeing those two national broadcasters use it to provide a broader range of programs to the community. I think that would be an advance in Australia. But it is not through any initiative of this government. If it could have got away with it, this government would have left the ABC and SBS with one channel right across Australia with
no ability to provide, independently of commercial services, a broader range of broadcasting services.

It is very appropriate that today we debate and bring to the attention of the Australian public a policy shemozzle all of the government’s own making. In some ways it has made Australia a laughing stock. It tried to dictate what the technology and the content would be. This is Joseph Stalin and Adolf Hitler at their worst, in a sense, trying to dictate what the content would be. We in the parliament have taken enough action to stop the worst excesses being achieved, but we have missed an opportunity. I look forward to the new Labor government by the end of this year revisiting this issue and getting a decent broadcasting and information policy before the Australian people.

Senator COONAN (New South Wales) (5.49 p.m.)—I am pleased to speak for the government in opposing Senator Bishop’s condemnatory motion this afternoon on datacasting. When I say that I am pleased to speak on this motion I am also rather surprised that a motion about datacasting was deemed to be the burning issue for debate in general business. While, of course, we all acknowledge that on Thursday afternoon in general business things usually slow down a bit, I would have thought that it still provides some valuable time, if the opposition wished or, indeed, the minor parties—to raise issues of concern and to engage in debate on matters of moment. Isn’t it diverting, then, to see the Labor Party only two days after the budget came down, consumed with the compelling matter of the cancellation of the proposed auction of datacasting spectrum?

The fact that the Labor Party are content to leave debate on the sixth Howard budget—which once again delivered a surplus, this time of $1.5 billion—speaks volumes. With all the good news of the budget including the benefits to the some 2.2 million older Australians and job initiatives to help some 70,000 young people move from school to work under the Jobs Pathway—and just to take another example—the increased opportunities for students in the bush to attend regional universities, do the Labor Party really think that datacasting is the topic uppermost in the minds of all other Australians? I would have thought that there were bigger issues of concern to the Australian community. Indeed, I think it is only appropriate that the Labor Party keep being called to task for their reluctance to tackle the big issues in the community and their absolute failure to explain their abysmal economic record to the Australian people.

With the good news of the budget that came down a couple of days ago, how do Labor explain what happened when they were in government and interest rates were in the order of 17 per cent and bill rates were 18 per cent and 19 per cent, and in some cases as high as 22 per cent and 23 per cent? What is the explanation for that? What is the explanation for over a million people being thrown out of work and businesses going into bankruptcy? What is the explanation for the national figure for youth unemployment reaching some 34.5 per cent under Labor? There must be an explanation for this. Aren’t the Labor Party interested in these issues? Aren’t the Labor Party really interested in tackling their own economic record so that the Australian people might be faced with some choice when we ultimately come to an election? No. What we are really facing this afternoon is an argument about datacasting. Gee, what a burning issue! However, as a motion on datacasting has been put forward this afternoon, it does require us to respond.

It is really important that we look, first of all, at the history of the debate on the datacasting regime because that puts it all in context, and it makes some nonsense out of the motion that has been put forward today. In 1998, the parliament debated the basic framework for the introduction of digital television. It was at that time that the parliament legislated so that no new commercial television licences could be issued until after 2006. This recognised the very substantial transitional costs which Australia’s broadcasters face in the conversion to digital broadcasting. In 2000, the parliament considered the detailed framework—and it did take up a lot of debate—for the introduction of digital television. It did not alter the moratorium on new commercial television
broadcasters. As I said, detailed consideration was given to this regime, including the thorough work of a Senate committee—and a very detailed report that was produced—and some considerable thought was given to the ways of distinguishing between datacasting and broadcasting. As a result of that consideration, some amendments were made to modify the operation of the regime proposed by the government, and around 140 amendments were made in total to the legislation. It was a very extensive debate, and a lot of thought went into it.

A large number of amendments were made in relation to the datacasting regime. Changes were made to several of the program definitions in the bill, including in relation to the definition of 'education program' and to expand the definition of 'foreign news bulletin', and some of the other restrictions were relaxed. Changes were made to clarify some provisions and to insert anti-avoidance provisions. However, none of these amendments fundamentally changed the approach from the genre based regime. The parliament rejected alternative models for datacasting proposed during this debate. I think that is a very important point. This has been a regime that was adopted by parliament, and the parliament retained the basic genre based regime. Again, earlier this year, alternative proposals for a datacasting regime were put up before the parliament, and again the parliament rejected these proposals. This was not a knee-jerk reaction; this was legislation that the parliament adopted, having looked at it on at least two occasions.

On 9 May, a ministerial direction was issued to cancel the auction of datacasting transmitter licences scheduled to commence on 21 May. Before coming to this decision, the government consulted the three remaining registered applicants and considered detailed submissions from them. What were the reasons for the decision? You do not have to be a rocket scientist to see the good sense behind the decision. The decision to cancel was based on a number of issues, including the fact that there were five markets where only one new service provider would emerge. Of course, it would not have been very desirable for there to be only one new service provider for many markets. That would have been a less than optimal outcome for the community in terms of the benefits it expected from new services. We are all concerned with the need for competition, and a lack of competitive tension in five markets, and the likelihood of weak competitive tension in the three markets where there were expected to be two bidders was a significant factor.

This situation was unlikely to maximise the financial returns to the Commonwealth and to the community for the use of the spectrum. Licences were offered for a period of 10 years, with the ability to seek renewal for a further five years. Over this period there may be opportunities to enhance the potential use of the spectrum, because we all know it is an industry that is very much in its infancy. It is an emerging industry and there are a lot of unknowns attached. Allocation of datacasting transmitter licences at a price which is substantially below their longer term value is unlikely to be in the public interest overall. I am sure that, if we had gone ahead with it, Labor would quite rightly have criticised us for doing that. We obviously have to have regard to the public interest. In fact, the Labor Party should be standing up here and praising our decision instead of moving this condemnatory motion that we are facing.

The government took into account the relevant legislation relating to the allocation of spectrum for datacasting services and it also took particular account of comments put to it by applicants who generally considered the public interest was best served by an early roll-out of datacasting services. However, the government considered that these considerations did not outweigh concerns about the likely consequences of continuing the auction with the limited number of applicants. Of course, the government has announced that it will consider a range of options in relation to the timing of future auctions.

When one thinks about the fact that datacasting is an emerging industry, cancellation of the auction is unlikely to slow the development of interactive television services significantly in Australia. The broadcasters have
established an industry-wide digital TV strategy group to progress the range of technical and marketing issues involved with the introduction of interactive television in Australia. The group is working closely with manufacturers and retailers to put in place a coordinated framework for the next generation of receiving equipment. Free-to-air broadcasters will also, a year after commencement of digital television in their area, be able to provide datacasting services. However, commercial television broadcasters providing these services will be subject to a datacasting charge. The Australian Communications Authority has issued a report on the proposals for this charge. Following cancellation of the recent datacasting auction, there will be a range of options considered in relation to the timing of any future auctions in order to achieve the very best outcome. The legislation provides for a review of the datacasting regime to be conducted before 1 January 2003. The review will enable consideration to be given to whether changes need to be made to the regime at an appropriate time. The parliament has legislated that no new commercial television licences can be issued until after 2006.

The ACTING DEPUTY PRESIDENT (Senator George Campbell)—Order! The time for the debate has expired.

Sitting suspended from 6.00 p.m. to 7.30 p.m.

BUDGET 2001-02

Statement and Documents

Debate resumed from 22 May, on motion by Senator Kemp:

That the Senate take note of the Budget statement and documents.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (7.30 p.m.)—Budgets are about choices. They are about a government’s values and the priorities the government sets for them. You can tell everything about this government not so much by what is in these budget papers but by what is not. There is nothing in this budget to help ordinary Australian families. There is no relief from the GST for families facing financial hardship and nothing for small businesses badly hurt by this tax. There is nothing in health and education to attempt to repair our public hospital system or help our struggling poorer schools. There is little to help the jobless in the year that unemployment is expected to rise—in fact, this budget opens an even bigger divide between the rich and poor. And this budget proves that the government is determined to go ahead with the sale of Telstra against the wishes of Australians all around this country—it is right there in the budget papers.

This budget shows once again that the Howard government has stopped listening to people, that it is out of touch with what ordinary families want. You cannot blame people for thinking this budget is just a cynical exercise to try to buy votes from the elderly—from our older Australians who have been flattened by the GST. Soon most Australians watching this speech will be called on to vote in a federal election. We in the Labor Party are going to give people a real choice—a choice between a Labor government that wants to help people and that is on the side of Australian families, and an increasingly out of touch government interested only in trying to buy its way back into office. We will return to Australian values—decent standards in public hospitals, looking after our elderly in their need, making sure every Australian child gets a good education and maintaining living standards in the country as well as the cities. And, most importantly, we will look at ways to ensure a good future for our children in the knowledge nation.

There is no reason why this country cannot be a place that invents and produces the best products in the world. Yet there is nothing in this budget to help Australia build a strong future, to give our talented young people the best education and training so they will want to stay here and develop ideas to make this country prosper. Instead, this budget confirms what Australians have long known: whatever John Howard gives people he will take away with the GST in the blink of an eye. We all know that he has broken the promise that the GST would result in a sim-
pler, fairer tax system. We all know that his claim—that Australian people and the national economy would be better off under the GST—was a fraud. And we can now see very clearly that the government is panicking. All the billions of dollars of backflips revealed in this budget are spent merely to try to shore up the government’s vote.

Tonight I am going to lay out the choices between the two major parties in Australia very clearly. The most important promise I can make is this: the Labor Party in government will put jobs, health and education—wherever you live—right back at the top of the priority list. The greatest cause of this year’s economic slide, as revealed in this budget, is the GST. People were told it would be good for their families, good for business and good for the overall economy. The Howard government has failed on all three counts, and Australians know this. The GST is the Howard government’s answer to all Australia’s challenges. But it is the wrong answer. The Labor Party is going to give you a very clear choice. The government believes in slugging everybody with this unfair GST. The Labor Party pledges to roll it back. The government believes in selling the rest of its stake in Australia’s biggest company, Telstra. No government led by Kim Beazley will ever sell this great national company, Telstra, and that is a rock solid guarantee.

This government spends hundreds of millions a year on wasteful advertising and consultancies. Last year the federal government spent more on advertising than Toyota, McDonald’s or Coca-Cola—in fact, it was Australia’s number one advertiser. This government wasted more than $200 million on advertising for the GST alone. That is 20 times as much as it spent on the carer payment for those looking after profoundly disabled children. That is not right, and everybody knows it.

Tonight we are going to do something unusual in a budget reply speech. I am going to give some even more concrete examples of the stark choices at the next election. I am going to give you several fully costed, fully funded policies as an example of the choice facing Australians. But first let me say this: this is the biggest spending, biggest taxing government in Australian history and it has left a set of low surpluses in the years to come. At the same time, bad priorities have left serious holes in the services Australians value most: health and aged care, jobs and education. This combination of high spending and inadequate services poses a challenge both to this government and any incoming one.

Labor’s response to this challenge is threefold: first and foremost, Labor is about reducing, not increasing, the burden of tax on Australian families.

Senator Patterson interjecting—

Senator Gibbs—Why don’t you shut up.

Senator Patterson—I won’t shut up!

Senator Chris Evans—Never drink and come into the chamber; that’s a rule.

Senator Patterson—Madam President, I rise on a point of order. I ask you to ask Senator Evans to withdraw what he said. He made an implication that I had been drinking. I find that offensive and I ask him to withdraw it.

The PRESIDENT—I did not hear the remark.

Senator Faulkner—Madam President, on the point of order: this is the most disgraceful abuse I have seen in my time in the Senate chamber. To interrupt the shadow minister representing the shadow treasurer in this chamber presenting the Leader of the Opposition’s reply to the budget is an absolute and unprecedented disgrace, and Senator Patterson stands condemned for doing it.

The PRESIDENT—That is not relevant to the point of order. Senator Evans, if you did say something unparliamentary, it should be withdrawn.

Senator Chris Evans—Madam President, what I said across the chamber to those senators interjecting was: never drink and come into the chamber. I do not think that was unparliamentary. It is a bit of good advice. They ought to take it.
The PRESIDENT—It seems to be inappropriate language for the Senate. There should not be the interjections that were actually taking place at the time.

Senator COOK—I repeat: Labor’s response to this challenge is threefold. First and foremost, Labor is about reducing, not increasing, the burden of tax on Australian families. That is what roll-back means. Families will benefit from GST roll-back, while Labor will not increase personal income tax rates. That is an absolute guarantee. Secondly, the Howard government’s bad priorities clearly provide opportunities for cutting waste, extravagance and unfairness and investing in services that help all Australians. With our policy announcements tonight, we are giving a concrete demonstration of how this can be done. And most importantly, Labor’s plans are not just quick fixes from one budget to the next. We have a long-term plan to make this nation a fairer and better place to live. This plan will be carried out at a pace and on a scale determined by what the budget can afford.

Labor already has a total of 70 policies publicly announced and available on our website or through our members’ offices—that is, 70 more than the Liberal and National parties. We have pledged to give the costings of all our policies—that is, what we will do and how we will pay for it—as soon as the government reveals the true state of the economy in the charter of budget honesty delivered during the election campaign. There will be no ‘non-core’ promises from us. You will go to the polls knowing exactly what we will do, unlike the fraudulent behaviour of our opponents when they first ran for office.

Tonight I thought I would give you a clear insight, with more detail into how our policies match a Labor government’s values. Tonight we announce that we will cut wasteful spending on advertising and consultancies by $195 million over three years in order to fund a national fight against cancer and to ensure all Australians can get medical help outside working hours. This government has given the richest category 1 private schools an extra $1 million a year. Tonight we announce that Labor will redirect these funds away from these wealthy schools to improve the quality of our government schools as well as the quality of teaching in the nation’s classrooms.

This government wants to give a tax deduction to wealthy donors—to people who can afford to give big donations to political parties. Tonight we announce a plan that will use this money—$45 million over three years—to start rolling the GST back from charities that care for the most disadvantaged in our community. These are the sorts of priorities the government should have announced in this week’s budget.

As I have said, the Howard government has spent huge and unprecedented amounts of public money on consultancies and government advertising. Spending on consultants amounted to a staggering $1 billion over the three years to 30 June 2000. In one year, the government spent $368 million, an increase of $119 million over the previous year. The advertising bill alone blew out to $210 million as the government tried desperately to convert people to its GST. We all know that the ‘Unchain my heart’ GST ads were nothing more than political propaganda and should have been funded by the Liberal Party. Labor, in government, will reduce this spending on advertising and consultancies by at least $65 million per annum—a 15 per cent cut. And we will introduce strict guidelines to cut this blatant political advertising. This money will be used to tackle an area of health we want to make one of Labor’s high priorities—the fight against cancer.

Each year, over 70,000 Australians are diagnosed with cancer. We all know someone who has struggled with, and survived, the disease and most of us know someone who has died from it. In our hearts we also know that no-one is immune. I want to help control cancer, and I want to make sure cancer patients receive the highest quality treatment.

Tonight I am announcing that Labor will commit $90 million over the next three years to mount a fight against cancer. We will also redesign the government’s cervical cancer screening program and combine this with other unspent cancer money so that $149 million will be available over three years for the fight against cancer. We will build a new national cancer alliance to link our scientists
with cancer specialists. We will create comprehensive cancer centres to improve treatment services. We will boost public health programs on tobacco and fund screening programs for other cancers.

Labor will rebuild Medicare and, unlike the government, public hospitals are our highest priority. Last August Mr Beazley announced Labor’s Medicare After Hours policy that will fix the shortage of GP services at night and on weekends. This policy has two parts: after hours GP services working with local hospital emergency departments and a 24-hour medical advice line staffed by trained nurses under the supervision of doctors.

Tonight I am able to announce that Labor will spend $55 million over its first three years to establish the 24-hour medical phone service. When a parent is confronted with a medical emergency or is anxious about a child’s health, they need immediate medical advice. Labor’s 24-hour phone line will give them basic advice and direct callers to the best place to get more help. In this budget the government has tried to steal Labor’s policy by announcing $43 million over the next four years to establish services that imitate Medicare After Hours. But it is a very weak imitation. It includes no 24-hour advice line and it is not a national program. Like much of what the Howard government has done, its attempt to copy Medicare After Hours is a case of too little, too late. A service like this is way overdue, and Labor will deliver it.

Our small population gives us a challenge and an opportunity. If we are to be the world’s leaders in new industries and new developments in biotechnology, medical research, environmental management and IT, we need better education and training for more of our people. Our greatest assets are the 250,000 new children born every year. We have to give all of them the best education we can—all of them. But this government believes in giving a good start in life only to a chosen elite. The Howard government believes in giving millions of dollars extra per year to wealthy category 1 private schools, like the King’s School and Geelong Grammar, that already have the best of everything. These schools, I might say, are attended by less than two per cent of Australians, but count about 60 per cent of this cabinet among their old boys and girls.

More broadly in education, since coming to office John Howard has cut spending on universities and R&D by $5 billion. And, for the first time in many years, university enrolments fell last year. In 1995-96 Commonwealth support for science and innovation was 0.75 per cent of GDP. In the coming year it is estimated to fall to 0.65 per cent of GDP. The research and development tax concession in Labor’s last year of office was worth $800 million to industry. Next year it is only $470 million—so much for their much touted innovation statement.

There are no Australians more important than our teachers. There would be nobody watching tonight who could not recall their best teacher. A good teacher changes lives. Every parent knows that the best way to improve their child’s chances of staying at school and going on to university is to make sure their children’s teachers are experts in their subjects—and yet under the Howard government up to 40 per cent of junior secondary students are taught maths by a teacher without specialist training to teach that subject. Many rural and regional schools cannot even fill vacancies for maths and science teachers.

I am tonight announcing the funding for three initiatives to tackle these problems. Firstly, under Labor $100 million will be spent over three years to improve the classrooms, libraries and laboratories of our government schools—all the things that will bring back pride in the basic school system that has given us so many leaders in this country. Half of this money will come from the Commonwealth, and it will be matched by the states. Secondly, Labor will award 1,000 prestigious new scholarships each year to high achieving graduates who enter teaching, especially in the key disciplines of maths and science. These teacher excellence scholarships will pay the HECS debts of graduates for every year they remain in teaching. This measure will mean a new generation of committed and idealistic teachers in our classrooms. Thirdly, Labor will update the skills of Australia’s existing teachers.
through a new program we call Teacher Development Partnerships, costing $50 million over three years. The Commonwealth will pay the course costs for 10,000 teachers to undertake refresher retraining, and will pay them $2,000 on completion of their training.

So this is the choice we offer the Australian people—million dollar increases for the wealthiest private schools or $100 million to improve government schools, 1,000 scholarships a year to recruit the best and brightest into teaching and professional development courses for 10,000 existing teachers.

Labor will also invest in university education and research to give regional Australians the skills to create their own destinies. We will provide an additional $10 million over three years to help regional universities and campuses meet the cost of communications, which they need to access the world of knowledge, and to provide quality distance education over the Internet. We will spend a further $15 million to create 400 new postgraduate research positions at regional campuses, increasing research on fisheries, agriculture, mining and tourism.

The Howard government has introduced legislation to increase the maximum tax deductibility threshold for donations to political parties from $100 to $1,500. In other words, the cap on the amount you can claim from the tax office for political donations has been lifted substantially, no doubt aimed at collecting more from groups like the HIH company. The government estimates this will cost a total of $45 million over three years. The legislation is currently before the Senate. We do not believe the taxpayer should be required to subsidise such donations. Labor opposes this legislation and in government will maintain the threshold at its current level of $100. And we will spend the $45 million instead in starting to roll back the GST on charities!

The downturn in this sector had flow-on effects to other parts of the economy through its impact on employment, consumer spending and business sentiment.

Only last November Peter Costello said unemployment could go down to five per cent. ‘You could see a figure with a five in front of it,’ he told the 7.30 Report. He now has to admit that unemployment will rise to at least seven per cent. By the end of its second term the government will only have been able to get unemployment down by around one percentage point, and the majority of new jobs are part-time.

This budget shows that John Howard and Peter Costello think the vote of the elderly people of this country is worth a mere $300. The Labor Party has a lot more respect for those who took us through the Depression
and several wars, building the sinews of this country. They all know they were promised $1,000, not less than one-third of that. It always pays to check the fine print with this government. By no means all pensioners are getting the $300. Our offices, and I expect it is the same with those opposite, have been logging literally hundreds of calls a day from disability support pensioners in particular, and other pensioners, who have just discovered that they do not get a cent. Many of these people are struggling to pay for expensive medicines. Many were injured at work. They have simply been cut adrift by this government, which calculates it does not need their vote. Our offices are taking call after call from self-funded retirees between the ages of 55 and 65 who feel duped by the government. They thought the budget promised them tax relief and, in the end, there was not a bean. In fact, far from all self-funded retirees benefitting from the extra budget measures announced on Tuesday, about 350,000 will miss out.

I want to remind you of Treasurer Costello’s budget speech on Tuesday night when he quoted from the first Commonwealth budget brought down by one of this country’s Federation founders, George Turner. Mr Costello quoted Turner telling the parliament of Australia that ‘in the early stages of our career’ it should avoid ‘extravagance’—and we agree that it should. But it says a lot about the values, the lack of imagination, of this government that the Treasurer skipped right over a far better quote from George Turner only a sentence or two earlier in his speech. That first Australian Treasurer said:

I feel that in dealing with the finances we all fully realize the great responsibility which rests upon our shoulders, and I am certain that, whatever our opinions on the fiscal question may be, we shall give each other credit for being animated by but one desire—to do that which is best for Australia, and fair, just and equitable for all states, and to all classes and sections of our community.

That is the missing part of the Treasurer’s speech of 2001—a commitment to justice and fairness for all, for struggling Australian families, not just the people this government needs to get itself re-elected. At the next election—only months away at most—the people of this country will be faced with a very stark choice. They will have on offer a stale, five-year-old government that has stopped listening, and run out of ideas, a government whose only vision for Australia was to introduce a new tax, the botched, unfair, and badly administered GST.

The Labor Party has a stronger vision. We look to a future of greater prosperity for all Australians—those who live in the cities and those who choose the quieter roads. We want to create a future where the protection of our beautiful environment is an integral part of our growth and development as a nation. We want a future in which our people’s health care is provided by virtue of citizenship, not of wealth. We will work for a future in which quality education is there for all, not just the privileged. We will work to make Australia one of the world’s leading knowledge nations, harnessing the new age of communications for the benefit of all of our people.

These things will put bread and butter on our tables and ensure our people survive and prosper. But we need food for the soul as well. We need to be a unified nation, reconciled with this country’s first inhabitants. We need to bring home our Constitution and make an Australian our head of state. These reflect the values Australians have discovered in themselves as they built this great nation over the past 100 years. And let me assure all of you tonight that these are the values that will inspire and govern Australia under a Beazley Labor government.

Senator STOTT DESPOJA (South Australia—Leader of the Australian Democrats) (8.02 p.m.)—Two days ago, the Treasurer told us that the 2001 budget would build a stronger Australia and strengthen our economy. Since then, the Leader of the Opposition has said that the budget was ‘desperate back covering’, ‘mean-spirited’, ‘contains no new ideas for the future’, ‘smacks of a government in panic’, is ‘backward looking’ and ‘mean and tricky’. The truth, of course, is somewhere in between. Over the next few weeks, there will be more in-depth analysis and further focus on how the budget will impact on Australians. Many observers feel analysis of the budget is more difficult in recent years, since the introduction of the so-called charter of budget honesty has made it
much harder to follow the progress of particular programs from budget to budget. Ross Gittens, the economics editor of the Sydney Morning Herald, has described it as the ‘charter of budget opacity’. One could argue that the most honest thing about the charter for budget honesty is the opening line of the 1998 act, which reads:

Nothing in the Charter of Budget Honesty creates rights or duties that are enforceable in judicial or other proceedings.

The Australian Democrats believe that the 2001 federal budget contains a few, mostly small, initiatives to be commended, a number of which we either called for, or secured in negotiations or by amendments in the parliament. There are aspects to be condemned, but what is of particular concern is what is missing and who has been forgotten. The budget fails to even begin to bridge the social divide, other than in some limited measures for regional and rural areas and a few ad hoc initiatives for low income older Australians. There was no vision, unless you count a fiscal surplus fuelled fantasy of winning back votes.

The greatest tragedy of this budget is that it forecasts a rise in unemployment and it does not deliver on job creation. The 2001 federal budget was a lost opportunity. But I will start with the good news. There are initiatives in this budget that the Australian Democrats commend, such as increased efforts to prevent plant and animal disease entering Australia—although it is replacing previous cuts and tourism will pay the price—and the $500 million HIH hardship allowance. The rural nursing funding is a start. The initiatives for older Australians will also alleviate some hardship, including the extension of pensioner concessions to low income self-funded retirees; the one-off payment of $300 to some 2.2 million low income self-funded retirees and pensioners to offset price rises; the increase in the Medicare levy threshold to $20,000 per annum for senior Australians; and the increase in the tax free threshold.

The one-off $25,000 payment to prisoners of war of the Japanese and POW widows is commendable, although the Democrats wish that veterans did not have to wait so long for such payments. In environmental protection, there are a few, very bright—

**Government senators interjecting—**

**Senator STOTT DESPOJA**—Madam President, you would think they would listen while I am commending them.

There are very small bright spots such as $5 million for the National Pollutant Inventory and $5 million for the implementation of the Environment Protection and Biodiversity Conservation Act. The annual $100 million allocation for the National Action Plan for Salinity and Water Quality is better than nothing, but inadequate in comparison to the $3.7 billion per annum that the National Farmers Federation and the Australian Conservation Foundation predict is needed for land and water repair. The provision of 670 extra funded places per year over four years in regional universities is positive, but it does not go even halfway to making up the $170 million that has been cut from these institutions over the past few years.

We acknowledge the positive aspects of welfare reform such as the $800 training credit for Work for the Dole participants. Although, to put it in context, this would pay only one HECS subject if people were studying university subjects. More Centrelink staff and personalised welfare delivery are overdue. We hope this initiative will mean tailored assistance to welfare recipients to help the long-term unemployed and older jobless to find training or other mutual obligation activities, and that it will not just mean more breaching of welfare recipients.

Not surprisingly, we welcome the initiatives that the Democrats secured in negotiations, in amendments or have long called for, including the $115 million alcohol education and rehabilitation foundation, which the Democrats initiated, and of course the $44 million for indigenous organisations as compensation for the FBT changes. The extension of health care cards to foster children was a successful Democrat amendment. Funding for research and education to prevent problem gambling was clearly prompted by the amendments moved by the Australian Democrats during the debate on the Interactive Gambling (Moratorium) Bill. And the
Democrats helped to ensure the increase in the Australian Research Council funding.

The ‘working credits’ initiative, which will allow people on welfare and students to undertake some casual work without the loss of their social security payments, should be commended, although the Democrats do believe that the thresholds are still too low; that is, before income support is lost. We are relieved that the government did respond to concerns raised by the Democrats and many welfare groups and did not impose an activity test on disability support pensioners, as was originally floated, although they did toughen the eligibility test. So that was the good news in the 2001 federal budget. The Democrats believe in giving the government fair credit where credit is due.

The measures in the budget that the Australian Democrats have concerns with—in deed, we condemn them—include continuing reductions in total funding for the Natural Heritage Trust and inadequate funding for the ABC of $17.8 million extra per year, given that this government cut $67 million per year in their first term.

One of the most disappointing aspects of this budget is welfare reform. We were told that welfare reform would be a ‘centrepiece’ of this budget. Instead of a budget headline, welfare reform turned out to be a footnote. Rather than the $1 billion that Patrick McClure of Mission Australia and the chair of the welfare reform group suggested was the minimum required as an initial investment in welfare reform, we have less than $1 billion over four years. Instead of the ‘comprehensive strategy’ on welfare reform promised by the former minister, Senator Jocelyn Newman, we have a threadbare approach that is high on rhetoric and low on actual assistance to those in need. And when it comes to the sensible five areas for action advocated by the former minister, we have: a complex and intimidating pension and benefit system, instead of ‘a simple and responsive income support structure’; tougher eligibility criteria and penalties, rather than ‘incentives and financial assistance’; coercive, one-sided activity requirements, instead of ‘mutual obligations’; crowd control at Centrelink, instead of ‘individualised service delivery’; and a growing social divide, instead of the promised ‘social partnerships’.

As a sideshow, we also have the ongoing performance of ‘good cop/bad cop’ being played out by the Minister for Family and Community Services, Senator Amanda Vanstone, and the Minister for Employment, Workplace Relations and Small Business, Minister Abbott. They do not appear to be able to decide whether the social security system is tough or compassionate, proactive or punitive, or a hindrance or a help. The only thing that is now certain is that Australia’s social security system is neither social nor secure.

Defence got an extra half a billion dollars this year alone and this will increase by $27.6 billion over the next decade. Business got $5 billion in tax cuts. There was much more money involved in the tax changes for company vehicles and, of course, the backflip on trusts than the $76 million for welfare reform in the first year. How could the Minister for Family and Community Services, in all budget honesty, describe welfare reform as a centrepiece of this budget? The government cherry picked from the McClure recommendations, chose the most punitive and cheapest options, and left hanging the hardest cases: the long-term unemployed and those with particular disadvantages.

The Democrats oppose: extending mutual obligation to sole parents; the abolition of the mature age allowance and the partner allowance; and the introduction of compulsory annual interviews for mature age partner allowance and for the widows allowance, about whether or not they should re-enter the work force. The McClure report did not suggest the extension of mutual obligation to older Australians, but the government ignored that and will extend Work for the Dole to the age of 39 and introduce other compulsory mutual obligation activities for older Australians.

The budget refers to ‘intensive assistance’—something the Democrats support—but in the last budget $80 million was taken from intensive assistance and redirected to the extension of Work for the Dole. The additional Work for the Dole funding, this time
around, would have been better directed as employment subsidies or tax breaks to encourage employers to take on or retain older workers.

But the budget’s greatest failing is what was missing: a vision for health, education, environment and job creation. These are areas that you invest in now, and the long-term returns are priceless. I am sorry that the government does not agree. Where were the major initiatives that would make for a better Australia in 30 or even 50 years time? There were a few measures to help those who are suffering today. Most of those people are forgotten in this budget. Two to three million Australians live in poverty. Real welfare reform would have raised payments to above the poverty line. Four hundred thousand young Australians—young unemployed and students—live significantly below the poverty line.

**Government senators interjecting—**

Senator STOTT DESPOJA—I am glad that Senator Ferguson thinks that that is a joke. The budget contained no comprehensive efforts to protect the most vulnerable—those on low incomes—from the impact of rising prices. There was little funding for Aboriginal health. An injection of $250 million would have been a move towards giving indigenous Australians the same level of federal health funding per capita that flows to non-indigenous Australians. The number of people being granted legal aid has declined, and caps on assistance can mean that funding can run out part way through a case. Disappointingly, legal aid and community legal centres received little additional funding in this budget. Overseas aid remains at a record low level of 0.25 per cent of GDP—a long way from the 0.7 per cent of GDP that is recommended by the United Nations. Of the 21 donor countries in the OECD, Australia is in the bottom third in terms of overseas aid.

In regard to environmental protection, there is insufficient investment in renewable energy sources and reducing water consumption. The Natural Heritage Trust is extended but overall there is a long-term drop in funding and there are no other new measures to plug the gaps in the environment budget from previous years. The budget fails to adequately address the pressing issues of land clearing and climate change. The National Farmers Federation estimates that land degradation is costing Australia $2 billion a year. That is in lost productivity. However, the initiatives and funding announced will not lead to a reduction in current land clearing rates. Money is provided for tree planting, but ongoing vegetation clearing will not be curbed. We are clearing much faster than we are planting. Australia is going to be one of the countries hardest hit by climate change, but the small additional initiatives announced in this budget suggest that, other than the measures the Democrats previously secured to reduce greenhouse gas emissions, the government is giving up on the aims of the Kyoto agreement.

In addition to environmental protection, the other vital investment a country can make in its future is of course education, but the funding crisis in our schools and universities has largely been ignored in this budget. The government acknowledged that the innovation package was a ‘first step’ in reinvesting in Australia’s education and research capability. However, there is no ‘second step’ in this budget. The innovation package presupposes robust teaching and learning but there is no recognition that increased funding to our universities is urgently required. Indeed, the budget is characterised by further shifting the costs to students, whether it is in the previously announced postgraduate loans scheme or the removal of funded places in bridging programs. The Commonwealth’s direct contribution has actually fallen in real terms since 1996, while student numbers have increased by 60,000.

Housing and tourism are key areas for which the Democrats would have liked to see more support. Tourism provides employment, particularly for young people and in rural and regional areas. Rather than invest in the post-Olympic opportunities to sizeably increase overseas visitor numbers, the government has largely left the tourism sector to fend for itself. Gaps in affordable housing were another part of the McClure report into welfare reform that the government ignored. Last year, public housing waiting lists lengthened from 178,000 to 218,000—that is
218,000 Australians and their families waiting for public housing. According to the *Australian* newspaper, in six months last year almost 700 people lost their unemployment payments for moving to areas where the unemployment rate was higher but the housing was cheaper.

At the same time, there is a high level of unemployment in the construction industry. Research estimates the number of new housing starts in the current financial year will be the lowest since the recession of the early 1980s. That is a slump of 34 per cent from last financial year—the biggest annual decline in 25 years. One might have reasonably expected in this budget some sort of stimulus for this important sector. A Democrat suggestion would be to extend the first home buyers grant to specifically target environmental initiatives such as solar power, or to make housing suitable for people with disabilities, including making homes wheelchair accessible. That would provide the foundations for economic as well as environmental and social benefits.

This was not a budget to set an economically or environmentally sustainable blueprint for the 21st century. This was a budget to try and buoy the polls over the next six months or less. A number of the positive initiatives in this budget are compensation for past misdeeds. Treasurer Costello’s sixth budget is largely about minimising the adverse impact of the first five budgets and the government’s wider reform agenda. The $142 million for dairy farmers, funded by a levy on milk sales, is compensation to help repair the damage done by deregulation and national competition policy. Work for the Dole and training initiatives are a poor substitute for labour market programs scrapped in 1996. Reintroduction of an earnings credit for unemployed people is restoring a similar measure that the government withdrew a few years ago.

The $300 for low income older Australians is an admission that the inadequacy of GST compensation will need to be re-examined after two years. This is an undertaking that the Democrats secured during negotiations, that is, that the impact of the GST would be assessed. Extending the time line for expenditures on GST compliance for small business is another admission by this government that they underestimated the administrative difficulties of the new taxation system. And the need for HIH compensation is in part the consequence of a slack regulatory structure that the government has resisted calls to reform.

Federal budgets do two things: they report on the past and set out a vision for the future. In the past, it was easier for the government to claim to be a ‘good economic manager’, when strong world growth was buoying up the Australian economy. The Treasurer cannot take credit for the past five years of domestic economic growth and then turn around and blame today’s economic conditions on the global economy. There has been a global economic downturn, global growth is down and this government has no real plan.

The economic conditions for the budget are predicated on 3.25 per cent growth and a seven per cent unemployment forecast. Australia presently has low inflation, low interest rates, a low dollar and low levels of government debt. And, some might say, low morale. Business and consumer confidence is flat. Actually, it seems like the only things going up in Australia are unemployment and insurance premiums.

For the last five years, Treasurer Costello’s mantra has been ‘debt reduction’. Yet Australia has one of the lowest levels of debt in the OECD. This budget’s projected surplus is $1.5 billion, but it is not the size of your surplus but what you do with it that counts. When unemployment is going up, that is the time that governments should consider the benefit of deficit budgets because perpetual surpluses mean that the government is continually taking more money out of the economy than it is putting in. The Democrats believe that spending money to stimulate the economy is desirable when there is low growth and rising unemployment. The government has not taken this opportunity to invest in our future. Government debt which is used to fund public investments with long-term benefits is no more irresponsible than a mortgage to fund the family home. It is a sensible, secure way of
ensuring immediate and future wellbeing. But—as every family knows—spending up on a big party on the credit card is unlikely to reap long-term benefits.

Much has been made, especially by this government, of the need to leave future generations debt free, but what about leaving them an inheritance? A good education, good health, a solid infrastructure and a clean environment are the endowments for future generations. That is what they will need, and this budget does little to secure any of them. Why was there not sizeable investment in human capital, in innovation and in research and development? This budget had no guts and little glory, and I do not think it is going to age well.

When we talk about a balanced budget—in the sense of revenue and expenditure being equal—we have to allow for a few billion dollars in error. In 1991, Treasury underestimated the budget deficit by $4.6 billion. In 1995, it was out by $3.6 billion. The budget 2000 forecast was a $5.4 billion surplus, but the actual surplus is now estimated to be around $2.3 billion. The planned surplus has been eroded by significant spending commitments in recent months and, of course, a slowing economy. But last year’s budget was always pretty optimistic. You may recall one of the highlights of last year’s budget was the $2.6 billion spectrum sale windfall—which, of course, disappeared into the thin air from where it came.

For an election budget, in some ways this budget is surprisingly ungenerous. There was very little for health, education, environment or employment, which is strange because these are the issues which polling shows people are concerned about. If we really want a surplus in the long run, reduce unemployment now. It has been estimated that a one per cent fall in unemployment could cut a deficit by around $1.5 billion. Aside from the benefit to the economic bottom line and the broader social benefits for everyone, it would also make a difference to the 100,000 Australians that one per cent unemployment figure represents.

When we talk about these percentages, we should never forget that we are talking about individual people’s lives. At the end of the 20th century, there were more than 614,000 unemployed Australians. In the first four months of this century, that figure rose by 56,000 people. In April 2001, there were more than 670,000 unemployed Australians. And there are only 95,000 job vacancies. The government’s own budget forecast is that those figures are going to worsen with an unemployment rate forecast of seven per cent. The problem is: not enough jobs. The Minister for Employment, Workplace Relations and Small Business has boasted that this budget abolishes ‘passive welfare’. Well, this budget certainly reinforces passive job creation.

The budget offered the unemployed training credits, working credits, more mutual obligation and Work for the Dole, but it did not offer them a job. Even the small increase in public service jobs in this budget is mostly for casual jobs. When I asked the government in question time yesterday about job creation initiatives, the only real answer I got from Senator Kemp was that the government wants the Democrats to change their position and agree to pass the unfair dismissals legislation. I do not believe that making it easier to fire people will reduce unemployment.

One way or another, Prime Minister Howard may not be Prime Minister at the time of the next federal budget. In the document titled The Australia I believe in: the values, directions and policy priorities of a coalition government in 1995, John Howard described youth unemployment as ‘a crisis that is shameful, wasteful and longstanding’. That was April 1995, and it was true. In April this year there were 260,300 unemployed 15- to 24-year-olds. So, regrettably, it is still true. Mr Howard also wrote:

One of the great distinguishing characteristics of Australian society has been the capacity of each generation to hand on to the next a higher standard of living and a wider range of opportunities than those which were handed on to it. The current generation of Australians runs the real risk of being the first which will fail to achieve this outcome for Australian youth.
That was Prime Minister Howard—then Mr John Howard. When Mr Howard wrote that in 1995 it was also true. After six years of his government, it still is. Australia needs an alternative approach. It needs an alternative approach to that taken by either of two old parties.

The Australian Democrats want a tax system that is environmentally responsible, not overly complex, and one that is fair. Collection should be simple and the spending should be smart. While the government is offering an extra $300 here and an exemption there, and the opposition will probably offer to double it, the Democrats believe that what a lot of Australians want is a better future for their children and their grandchildren. I suspect many Australians, older and younger, are remembering the good old days when banks paid you for leaving money with them, when you protected yourself against unforeseen disaster by having insurance and when BAS meant the Bass Strait.

When you look at this budget and consider whether or not you will be better off, I urge you to also look at the last six budgets and the 13 years before that under Labor. Look at the impact that their policies have had on the triple bottom line—not just the economic but the social and environmental outcomes. Then ask yourself: what is my vote worth?

Senator HARRIS (Queensland) (8.28 p.m.)—I rise this evening to respond to the Howard-Costello budget, which has been framed by a desperate government that has at long last realised that the blind obsession for the global economy that has benefited Internet technology, exporters, importers and the banking sector of the Australian economy has had an unparalleled impact on other sectors. This budget is obviously one of self-preservation and appeasement on behalf of the Treasurer, Mr Costello, and his government. While superficially it appears to offer much to many, in reality it offers very little to many and nothing to most. Claims by the Treasurer that the initiatives in this budget are directed towards supporting older Australians and improving the welfare system and the health and living standards of all Australians, not to mention the mandatory categories of rural and regional Australia and the special case for preferential funding of indigenous issues, are merely a slip of the tongue.

The government claims that the introduction of the GST has brought many underground businesses out of the black economy, yet no mention has been made about the biggest black economy of all—that is, the 1953 tax avoidance scheme known as the ‘double tax act’, which is offered to overseas based businesses that operate within Australia and that repatriate their lucrative profits back to overseas tax havens. The latest figure I have been able to obtain on this is in the billion dollar category. I wonder if this amount of money could be more usefully employed in the Australian economy.

The title ‘Australians working together’ has very soothing conciliatory overtones aimed at uniting us all. The aim of bringing workers up to scratch in their work skills is really commendable. However, I am curious to know what was wrong with the work skills of the workers at Impulse Airlines, the workers at the Arnott’s factory in Victoria and the skilled technicians at Telstra. Were their skills needful of any attention, or were they just further victims of this government’s romance with national competition policy and Hilmer’s theories?

Australia’s dairy farmers have both practical and business skills that have been proven throughout this country over many years; yet they, too, obviously must need the benefits of further work skilling or they would not be in the unenviable position they are in today. Through this budget, the federal government claims to ease the pain of the deregulation of the dairy industry; however, there are many anomalies now appearing in the proposals. The dairy deregulation funding is creating divisions between farmers—that is, between those who are receiving restructuring funding and those who are not. Many of those who are not receiving funding are young farmers or those who have wished to stay in the industry by trying to build up herds to produce more milk. They were advised by
their industry leaders in the time leading up to deregulation that increased volume was the way to survive. Milk prices have not responded as these farmers were told by industry leaders they would. So they have large debts and lower than expected returns and, now that the government has realised what is seriously wrong with the industry, they miss out again.

The other unexpected result is the proportion of extremely large dairies that were expected to survive deregulation but have decided to opt out of the industry; in doing so, they have put pressure on the supply of fresh milk. The public is being grossly misled about the $140 million that is being raised by extending the 11c per litre levy; it is not from government revenue. The industry is very aware that, rather than the 11c coming from an increase in the price of milk—that is, the levy is paid by the consumer—the 11c is being deducted from the price that the dairy farmers are paid for their milk. Another way to highlight the plight of the dairy industry is that a dairy producer would have to sell 22 litres of milk at the farm gate so that, after the production costs and taxes, he would be able to go into the local supermarket and buy a litre of milk over the counter.

The additional package for dairy farmers is reported as being part of the budget. As I said before, it will be financed by an extension of the 11c levy that funds the DSAP scheme. I have a question for the government: they say that farmers can take this additional package up front; if the package is being funded by the 11c per litre levy, where will the money come from to pay them up front? In the farmers’ view, the additional $20 million for DSAP is a laugh. In some cases it has been wilfully wasted on stupid things like polocrosse fields and a meat pie factory and, to the other extreme, $660,000 was given to the Bega Cheese factory. Surely a public company has to finance itself and not take money from a fund that was to help dairy farmers through a very hard time. I say: put the money through the farmers and they will distribute it into their local communities better than anyone.

In relation to the beef industry, I draw two issues to the attention of the Treasurer: the meat inspection levies and the GST on livestock. The increase in money for the Australian Quarantine and Inspection Service, AQIS, to increase our defences against exotic disease is welcome, but it should be noted that this is only a partial return of resources removed from AQIS and AFFA over the past five years. I contrast this with the attitude of the US government to its agriculture: vast and increasing resources are allocated in each US budget towards increasing the power of US agriculture both at home and on the world market. The US government pays for all meat inspection in the US industry. In Australia, under the current government and this budget, the industry has to pay for meat inspection—some $55 million each year. This is a figure that must be passed back to the producer; it equals nearly $8 per beast slaughtered. This is more than the average producer’s net profit for most of the last decade. This impost on the industry lessens Australia’s competitiveness in Japan and Korea, where the US continues to take market share in both volume and price from Australia. A nation with a debt of over $300 billion and with competition policy as its creed should help, not hinder, its exporters.

The other issue I draw to the Treasurer’s attention is the GST on cattle. There is no GST on domestic fresh beef sales or on exported beef, so abattoirs get no reimbursement from the next link. They must obtain additional finance of 10 per cent to pay producers until reimbursement from the tax office arrives. I note that the recent closure of Prom Meats in Victoria is attributed to this additional liquidity burden. As there is no net benefit to the government from the tax on slaughtered animals, I ask the Treasurer—as I have asked on a previous occasion—to remove this pointless burden from the beef industry.

Several initiatives announced by the Treasurer on Tuesday night are straight out of One Nation’s policies. I congratulate the government on listening to One Nation in the areas of Defence, aged care privatisation, immigration and illegal immigrants. The
concern I have, though, is that the government is reticent to publicly admit this.

The parliament of Australia sits at the centre of one of the most draconian, randomly targeted, restrictive programs ever enacted on Australian sheep farmers. The problem I refer to is the national ovine Johne’s disease program. This program is supposedly being run for the benefit of the national sheep industry, but no account of its effects on individual farmers has been taken. Farmers living within 200 kilometres of this building have been driven out of business, some even to suicide, yet not one word has been mentioned in the budget papers about addressing this situation.

The federal government must move to take control of this state of affairs. It has become a national issue. The individual states involved are unable to agree upon a plan of action that would alleviate the distress of affected sheep farmers. These farmers have had their trading rights suspended indefinitely for national sheep industry benefit, with no thought given to any sort of compensation. Every respectable quality assurance program I know of obligates members of the program to pay some levy for the assurance being sought. The national ovine Johne’s program is conspicuously reluctant to address this issue.

Within a month, a mid-term review of this program and a Senate committee report are due in this parliament. The government budget papers should have allocated funding to redress the terrible wrongs committed randomly upon innocent farmers under the guise of working in the national sheep industry’s interest. I expect that the mid-term review and the Senate committee report will recommend such action.

I come to the issue of private rulings by the ATO, such as the Bud Plan. The ATO issued discussion paper PCD 9 in December 1995 relating to research and development investments and tax deductibility, but it issued no notices of intention to reassess until 1998. Many investors made investments based on those original private rulings and submitted their taxation returns based on those rulings. It now appears that the ATO may have acted contrary to parliamentary intent and its own established practices, because the ATO has acted to apply new rulings, announced by media releases and meetings of private groups. These retrospective rulings apply to past events and past ATO decisions.

With these retrospective tax rulings, the ATO is acting more powerfully than the parliament and the courts. Has the ATO become the fourth arm of government under the separation of powers doctrine? Unfortunately this may be true. The parliament, the executive government and the judiciary operate under the separation of powers. The difference is that, unlike these, the Australian Taxation Office appears to have combined all three—it now makes law, it prosecutes and it enforces without reference to the parliament or to the courts.

The ATO routinely accepts this form of loan structure that I have been speaking of for other business ventures in Australia, such as big resource developments with tax deferrals. With regard to this issue, where the ATO has changed rulings, the ATO has sent out taxation bills—in some cases as high as $150,000—to individuals. These include penalties that the ATO is attempting to enforce, although court cases to assess the action of the ATO have been set for hearing. These hard working Australians, who are endeavouring to save for their retirement, deserve a better deal, but there appears to be no recognition of that in this budget.

I move on now to the age pensioners. A one-off $300 payment to our pensioners—you have to be kidding! This is retribution for the impact of the GST. The pensioners are only one of the many groups within this country that will bear witness to this. First, we had the Clayton’s $1,000 offer for the erosion of pensioners’ savings. This was to be based on a pensioner’s savings in their bank account as of 1 July 2000. But if an elderly pensioner had not updated the amount of savings to the social security department, they would only receive a proportion of the $1,000 based on their previous disclosure—even if that previous disclosure
was 10 years old and they had considerably more savings on 1 July. This $1,000 offer was whipped away from most pensioners and now is being followed up by the $300 card. I thought it would have been more honest of this government to honour the $1,000 bonus to our pensioners or, in the case of the $300 trick, give it yearly and index it and include those people who also are on disability pensions.

Bankruptcies have skyrocketed since the introduction of the GST. It is not just small business that has been telling the government so. Accountants have what they do best—the figures and the facts to support this claim. So it is not just crocodile tears that we are witnessing here. This budget offered no recognition of the costs of the new tax system on the businesses that have been so impacted. Any understanding or empathy with the small business fraternity has not been forthcoming. The Minister for Small Business, Mr Ian Macfarlane, has very sympathetically stated that small business owners would just have to absorb those compliance costs as an investment in their enterprise. Well, Mr Ian Macfarlane, this was the government’s GST. I think it is only fair that you as the government should wear the costs.

Despite the demonstrable compliance costs burden, the Howard government has chosen to turn a blind eye to the very real concerns of small businesses and simply tinker at the edges of the tax. Their response to the pleas of small business for some assistance, such as an extension of the transitional arrangements which would allow for 100 per cent write-off of equipment purchases required to collate the tax from July 2001 until next year, are at best insipid and at worst demonstrate a lack of compassion and concern for the sector which is the true driver of employment growth in Australia. The budget will do nothing to convince micro, small and medium sized family-owned grocers that the coalition genuinely cares about their futures. It is clear that many small family-owned businesses are finding it impossible to meet their GST commitments and continue to pay their creditors. Many are forced into bankruptcy. A tax cut is of no value when you are not making any profit. You now know why the press has been having so much fun with the ‘mean and tricky’ cliche—it seems apt, doesn’t it?

The espoused growth in the Australian economy is purely through the management skills of our businesses and our wonderful Australian work force. Any claims by this government that any of the kudos belongs to their macro-economic management is merely unjustifiably claiming glory that does not belong to them. Just witness the machinations of the Australian dollar and the repercussions this has had on our way of life and our standard of living. The only saving grace from this debacle is the benefits that our farming and exporting businesses are gaining. If measures were afoot to improve the living standards for all Australians, then serious consideration needs to be given to the present driving ideology of this government towards globalisation, with the devastating repercussions this is having on our manufacturing industries and consequently our loss of jobs.

There has been no concerted effort in this budget to address the cultural and social as well as economic issues in the rural and regional areas against city divide. Difficulties being faced by our farming and rural communities continue to compound, while at the same time we hear of the illustrious standard of living and the educational and job opportunities being offered to our city cousins. At the same time the constant, incessant closing down of banks and government services in rural and regional Australia continues unabated. If this is what is meant by improving the living standards of all Australians, then I obviously do not have the same dream and aspirations for this country and its people as does this government. Witness the benefits being offered to business: taxation rates of 30 per cent, no Medicare levy as well as the opportunity to purchase a new vehicle with apparently no reasonable cost ceiling being imposed and ultimately free of GST; while working Australians pay up to 48½ per cent in their taxation payments to the Treasury coffers and studiously pay their GST payments on their new cars.

An amount of $900 million over four years for the health system is sorely needed.
Again our health system has also been a victim of Hilmer’s national competition policy. While I have heard quotes that Allan Fels maintains the theory is correct, I think there might just be some difference in the reality factor. I have witnessed whole public hospital wards being kept closed, cardiac patients being kept down in emergency departments while awaiting the availability of beds in wards, patients needing immediate surgery and even our elderly are being denied life saving heart operations—and all to no avail as the funds have been so viciously restricted that it is futile. Staffing levels in our public hospitals have also been severely curtailed leading to very low morale and subsequently poorer delivery of services, all thanks to the cost cutting mentality of the present elected government.

The government’s aim to develop better social and economic infrastructure in rural and regional Australia is an about-face to what has been taking place in these areas over the last five years. Daily I witness the closure of businesses and the cessation of farming enterprises in these small towns due to the government’s intervention. I am witness to this in my own community of Mareeba, which is presently going through the government implemented closure of the tobacco farming industry. This will lead to a yearly loss of $50 million in tobacco income to this small community—not to mention the flow-on effects and the loss of jobs. This is another government implemented rural policy. It is easy to see where the government’s heart lies, and nothing will convince me that it rests with the interests of Australia for the benefit of Australians.

In relation to Telstra, this enterprise should never have been sold off in the first place. This wonderful cash producing asset belonged to the Australian people and was operated for the Australian people. What an act of deceit to sell this asset owned by the people to private enterprise, and now the government will continue to pursue the sell-off of the remainder of Telstra. If Telstra had not been stolen from the Australian people, the present evolving situation of difficulty of access to satisfactory communication would not exist for all those people who reside outside the main metropolitan areas. We would not now be listening to the placatory words ‘improving rural and regional telecommunications and Internet services’. In rural areas, there are difficulties in having repairs carried out because it is uncertain who has the responsibility of maintaining this infrastructure.

I turn now to the issue of roads. In North Queensland the main highway leading north from Cairns to Cape York Peninsula is little better than a fourth world country, one-lane goat track. If you are lucky, you can access it in the dry season; but in the wet season, do not even contemplate it. On the main road which runs from Cowan through to the Jar-dine River, I have stood in potholes up to my chest. I ask those who live in their cozy suburbs with suburban streets: how would you feel if you could not get to the shops for three months of the year to buy your groceries? This happens every year in the wet season in Far North Queensland. The budget does nothing in the way of appropriating funds for special issues relating to remote rural areas. The economic cost to the businesses and cattle producers in this area, to my knowledge, has not been quantified. I do not really think anyone cares. May I suggest that the $162 million being proposed for sports centres over the next four years would be better spent on roads in areas like this. If the government cannot or will not manage this, we will happily settle for the $90 million allocated for the Melbourne cricket pitch. After all, we would not want people to think that we were greedy.

Question resolved in the affirmative.

COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT (Senator McKiernan)—The President has received letters from party leaders seeking variations to the membership of certain committees.

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

That senators be discharged from and appointed to various committees in accordance with the document circulated in the chamber.

Economics Legislation Committee
 Substitute member: Senator Mason to replace Senator Watson for the consideration of the 2001-02 budget estimates from 4 June 2001 to 5 pm on 6 June 2001.

 Substitute member: Senator Newman to replace Senator Watson for the consideration of the 2001-02 budget estimates from 5 pm on 6 June 2001 to 8 June 2001 inclusive.

 Substitute member: Senator Sherry to replace Senator Murphy for the consideration of the 2001-02 budget estimates from 6 to 8 June 2001 inclusive.

 Environment, Communications, Information Technology and the Arts Legislation Committee
 Substitute member: Senator Lundy to replace Senator Bolkus for the consideration of the 2001-02 budget estimates for matters relating to information technology.

 Finance and Public Administration Legislation Committee
 Substitute member: Senator Lundy to replace Senator Conroy for the consideration of the 2001-02 budget estimates for the Office of Asset Sales and Information Technology Outsourcing.

 Substitute member: Senator McGauran to replace Senator Lightfoot for the consideration of the 2001-02 budget estimates from 28 May to 1 June 2001 inclusive.

 Substitute member: Senator Ferris to replace Senator Mason for the consideration of the 2001-02 budget estimates from 4.30 pm on 28 May 2001 to 2 pm on 29 May 2001.

 Substitute member: Senator Ferris to replace Senator Brandis for the consideration of the 2001-02 budget estimates from 28 May 2001 from 4.30 pm.

 Substitute member: Senator Tchen to replace Senator Brandis for the consideration of the 2001-02 budget estimates on 28 May 2001 from 4.30 pm.

 Rural and Regional Affairs and Transport Legislation Committee
 Substitute member: Senator Tchen to replace Senator Crane for the consideration of the 2001-02 budget estimates on 28 May 2001.

 Substitute member: Senator Calvert to replace Senator Crane for the consideration of the 2001-02 budget estimates from 29 May to 1 June 2001 inclusive.

 ADJOURNMENT
 Motion (by Senator Patterson) proposed:
 That the Senate do now adjourn.

 Dangel, Mr Feliks
 Senator TIERNEY (New South Wales) (8.57 p.m.)—Australia has always had a very rich migrant history. People from all kinds of diverse ethnic backgrounds have come to Australia and prospered, and the tradition continues today. I rise tonight to talk about a man who came to Australia from Poland in 1949. His name is Feliks Dangel. He became one of the best known members of the Polish community not only in the Hunter Valley but throughout Australia. Feliks unfortunately passed away recently. Tonight I want to remember him and the work he did for the Polish community and the town of Maitland, which became his home.

 At the end of the Second World War, 170,000 people came to Australia from all over the world. Most were displaced from their country and were looking for a better life and new opportunities for their families. Of those people who came to Australia between 1947 and 1954, 60,000 were Polish. Feliks Dangel was one of those people. In 1949 the minister for immigration, the Hon. Arthur Calwell, greeted many migrants who had come to Australia during those years, including a 12-year-old Polish girl. In a speech to the minister in August 1949 in Fremantle, when the ship Fairsea arrived in that city, this Polish girl captured the feelings of the many migrants who had come to a new land with these words:

 I have the honour of greeting you in the name of the Poles arriving in Australia. Our way to freedom was long and very hard. It led us from being oppressed by the invaders of Poland, through concentration camps, captivity, slave labour and long waiting in DP camps. But we are happy to see a free country and its citizens as we were 10 years ago. We are thankful to you, Sir, and to the Australian Government for putting an end to our homeless life. On our side we are promising to do our best when living in Australia and working for Australia, a country for freedom.

 With the massive influx of migrants, camps were set up around the country where people could learn English and eventually move on to settle in various parts of Australia. Feliks
Dangel was part of the Greta Migrant Camp near Maitland. There was a movie made about this camp, called Silver City. It was named as such because it was made up of army Nissen huts that were painted silver. At that camp, Feliks had a job with the department of immigration as arts and amenities director. The arts were a passion and interest for Feliks for all of his life. He carried out this job between 1949 and 1951. It did not take him long to settle in the Hunter Valley. He moved to Lochinvar near Maitland with his wife, Aleksandra, in 1952. Four years later he was naturalised.

Throughout his life, Feliks Dangel was a man who worked tirelessly for the city of Maitland and the Polish community, holding many positions in both spheres. He was elected president of the Polish Association and was an alderman on the Maitland City Council, where he had a keen interest in the arts. He was vice-president of the Federal Council of Polish Associations in Australia. Feliks gave new meaning to the phrase ‘community leader’. I will not go through all the groups he was involved with, but they did include the Maitland Bicentennial Committee, the Maitland Cultural Committee, the Heritage Committee and the Maitland Hospital Ethnic Advisory Committee. Feliks was also given numerous awards throughout his lifetime, giving credit to his community work and passion for life. These awards included the Silver Jubilee medal; the British Empire medal; the Polish Gold Cross of Merit, which he was awarded twice; and the Commanders Cross of the Order of Merit of the Republic of Poland. In 1999, he was awarded Freeman of the City of Maitland during the 50th anniversary of the Polish arrival in Australia.

Feliks Dangel’s work in the community and work for the Polish community will always be respected and appreciated. To travel to a faraway country and start a new life must be one of the most difficult endeavours to undertake, but to do it with such honour, pride and appreciation of his new home and to give back to Australia in such a tremendous way are signs of a remarkable man. He was proud of heritage and his background. He was also proud to call Australia home. He called himself a Polish Australian and a dinky-di Aussie. To Feliks’s wife, Aleksandra Dangel; their children, Danuta, Feliks, Rosemary and Louise; and to the grandchildren I offer my condolences. You can be proud of the life that Feliks Dangel had and the work he did for the Polish and the Maitland communities. He will long be remembered for the community leadership that he displayed throughout his lifetime.

Member for Lindsay

Senator WEST (New South Wales) (9.02 p.m.)—I rise tonight to speak about an issue that is at the heart of the roles of members of parliament in our representative democracy. It is about the role of bringing to the house that we are in the concerns of our own electorates. I want to bring to the Senate tonight the concerns that have been raised with me by people in the electorate of Lindsay about the representation that they receive. In our system of representative democracy, when people elect someone to represent them in parliament, they expect them to undertake the task with dedication and full commitment. They elect their representatives to raise their concerns and act on their behalf in the nation’s supreme decision making body, this federal parliament. I am raising the concerns of some people in the electorate of Lindsay about the way that this is being undertaken. As a result of the member’s actions, the needs of people living in Lindsay have effectively been ignored by the parliament, particularly by the government, since the last election.

One of the most important tasks that a member of parliament must undertake on behalf of the people they represent is to vote on the various pieces of legislation that come before parliament. Members of parliament are required to represent the interests of their constituents by voting on these various issues. By voting for or against a bill, a member of parliament is effectively speaking with the voice of the people of their electorate. Indeed, the very act of voting on legislation or other matters is, if anything is, the most important thing that a parliamentarian is required to do.

Honourable senators would have read in this morning’s Daily Telegraph an article
regarding the conduct of the member for Lindsay in the House of Representatives last night. According to the article—and honourable members can check this in *Hansard*—last night when the House divided to vote on amendments to the *Taxation Laws Amendment (Superannuation Contributions)* Bill 2000 Ms Kelly missed the vote and was locked out. That is not the first time that that has happened in either house. But, in complete disregard for the processes of parliament, she then managed to find her way into the chamber after the bells had finished ringing and after the doors had supposedly been locked and attempted to have her vote counted. The Deputy Speaker, Mrs Crosio, the member for Prospect, made the correct ruling and refused to have her vote counted. So the member for Lindsay not only temporarily turned the proceedings of the House of Representatives into a farce; she failed to represent the interests of her electorate by failing to vote on the bill. The Deputy Speaker, Mrs Crosio, the member for Prospect, made the correct ruling and refused to have her vote counted. So the member for Lindsay not only temporarily turned the proceedings of the House of Representatives into a farce; she failed to represent the interests of her electorate by failing to vote on the bill. Through Ms Kelly’s inability to get her act together and get into the chamber on time, the people of Lindsay’s voice on the important issue of superannuation taxation may now never be heard.

Of course, it is not the first time that the member for Lindsay has failed to represent the interests of the electorate in voting on a bill. You will recall that in 1996, when this chamber and the other house voted on the Andrews bill concerning the vital and emotive issue of euthanasia, Ms Kelly, with the member for Dawson, Mrs De-Anne Kelly, refused to vote on amendments to the bill. Her refusal to vote then earned her a 24-hour suspension from parliament.

There is another reason that I have had these concerns raised with me about the member’s parliamentary performance, and it relates to her failure to raise the concerns of her electorate in parliament. The procedures of parliament allow members to raise issues concerning their electorates publicly in either the Senate or the House of Representatives. In an article in the *Sun-Herald* earlier this year, Fia Cumming wrote an interesting article on the member for Lindsay entitled ‘Jumping Jackie Flash now the invisible woman’. That is probably getting a bit close to reflecting upon the person, but I am quoting directly from the title. Amongst other things, the article made the claim:

The woman who once happily posed for pictures at every opportunity has been barely noticeable in Canberra.

I suppose I should withdraw that, having now said it, because that is a reflection upon the honourable member. But earlier today I checked the *Hansard* records to confirm this. What I discovered is something of interest to me. Since the last federal election, throughout the entirety of this term, the member for Lindsay has not made one speech relating to her electorate. In fact, it has been 1,059 days since the member for Lindsay made a speech about the electorate of Lindsay in federal parliament. She has made only 11 speeches in the House during this term of parliament and none of them—not one single adjournment speech, not one MPL, not one single second reading speech—has had anything to do with her electorate.

This means that, for the people of Lindsay, it has been 1,059 days since their local member would appear to have raised their concerns in the parliament, concerns about issues that affect Lindsay. That is a long time, and there are people in that electorate who are very concerned about this apparent lack of representation. There is no way that our pay can be docked; we are not measured against performance indicators or go by performance pay for our salaries. Later this year, the people of Lindsay will have the strength, the call and the ability to have their say about what they think of a member who gets herself locked out of divisions and then manages to find her way in—which is a breach of procedures both in this house and in the other house—and who has not mentioned her electorate in this parliament, in the other place, for over 1,000 days.

**Budget: Youth Affairs**

**Senator Lundy** (Australian Capital Territory) (9.08 p.m.)—I rise tonight to raise specific concerns about the sixth Howard-Costello budget relating to issues affecting young people. This budget was constructed by a panicked government whose sole focus was clearly on constituencies whose votes may be the ones to get them over the line on
election night. It is very disappointing that the budget contains very little good news for Australia’s young people, whether they are struggling to make the transition from school to work, trying to find work near their families in regional and rural Australia or, indeed, just trying to scrape together enough money to keep a roof over their head.

While there are some measures to assist job seekers in this budget, under the guise of welfare reform, these are not being made available soon enough. The government has not addressed its draconian mandatory breaching policy, which has increased 250 per cent under this government, resulting in so many young people already on low incomes spiralling further into poverty. There is no relief in this budget for organisations that support young people. They are being forced to keep struggling to keep their financial heads above water while filling the gaps in government service delivery. I would like to highlight some specific areas in this budget where young people have missed out.

In the area of welfare reform, talked up as the centrepiece in the coalition’s so-called ‘caring’ budget, the government’s best effort has done nothing at all to ease the pressure on young people and their families trying to meet the most basic of needs. While the increase in government support to Australia’s pensioners and self-funded retirees will be welcome, it only serves to highlight the lack of acknowledgment by the coalition that the GST has indiscriminately impacted upon many more ordinary Australians and, in particular, it disproportionately hurts young Australians.

On the point of the $300 bonus for age pensioners, I would like to express my disappointment that young people receiving a disability support pension will also miss out. Like pensioners and many self-funded retirees, the majority of young people spend most of their income and survive pay packet to pay packet. There is rarely room for savings. Young people are particularly vulnerable to the coalition’s GST because they generally earn less and pay more of their income on goods and services that attract the GST. Despite a stack of recent data, reports and surveys indicating that more and more young people are falling through the cracks of social welfare and are in crisis, income support for young people remains untouched by this budget and below the poverty line.

These reports include Minister Kemp’s own National Youth Roundtable feedback and the Prime Minister’s Youth Pathways Action Plan Taskforce report, in addition to a number of reports from the welfare sector and the state and territory youth peak bodies. On the subject of the Youth Pathways Action Plan Taskforce report, which was leaked and tabled by the opposition back in April after sitting on in the PM’s desk for many months, the government’s formal response to the 24 recommendations was extremely disappointing. In fact, young Australians have been told that they will need to wait until next year’s budget to get a formal response. The government’s rationale for this is to enable them to yet again consult with young people, parents, schools, universities, TAFEs, youth organisations, business communities, government departments and other stakeholder groups—I can hardly say it in one breath—those same groups consulted with already in the formulation of the task force’s report. To say those groups need to be consulted again is pure, unfettered procrastination and demonstrates a political unwillingness to do anything about the issue.

The Howard government missed their big opportunity to demonstrate a genuine commitment to meeting the needs and aspirations of young Australians and proving—and this was their big chance to do it—that they are not mean, tricky and out of touch, as even their own party president says that they are.

When Minister Vanstone was asked to respond to concerns raised by a young person on Triple J’s morning show yesterday, which related to university drop-out rates caused by students having to survive on levels of income support that were 18 per cent below the poverty line, the minister responded by saying: ‘Well, actually I don’t see the two being related. I mean, the level of the allowance I don’t think relates to whether people will be successful in their studies and go into the workplace.’ What a classic example of how out of touch with youth affairs the government’s approach is. We consistently see this
sort of uninformed response exposing completely the government’s ignorance and lack of compassion and understanding of the problems and challenges young people face.

The coalition do, however, get just a couple of points in this budget for resurrecting Labor’s earning credit scheme—which they, by the way, abolished back in 1997—and for admitting they were wrong on providing training for Work for the Dole, which Labor has called for since Work for the Dole was imposed on young job seekers and students. The working credit system will assist young people on income support to take up full-time, substantial part-time or irregular casual work by allowing them to keep more of their income support payment while working. However, while Labor supports the additional investment in programs such as the transition to work package, it will not provide any relief now when it is needed. Projections are that general unemployment of around seven per cent will continue through to June next year, and yet these initiatives are not expected to kick in until September, a full 16 months away. This is particularly bad news for young people who are faced with a rising unemployment rate and a current figure of 23.3 per cent.

The coalition gets no points for originality, either, when it comes to other initiatives announced in the budget, including better referrals under the Job Network, tailored job search training, increased intensive assistance, more staff for Centrelink and improved sequencing of employment assistance. These were all elements of Labor policy and documented in Labor’s workplace 2000 report and Labor’s submission to the welfare review process.

In relation to education initiatives, this budget contains no vision for investing in the future and no plan for increased opportunities for young people. With the possible exception of a postgraduate loans scheme to assist some people who already have an undergraduate degree, there is nothing to support young people with educational aspirations. More significantly, there is nothing to address the gross imbalance of funding between public and private schools and virtually nothing for Australia’s universities. The budget does provide some scholarships for regional universities—the allocation of $35 million. However, it returns a mere sixth of the funding cut from regional universities by the Howard government in 1996. So do not be fooled: there is very little here that is of real benefit.

Australia’s young people will continue to feel the effects of the harsh measures contained in the coalition’s first budget. In 1996, $1 billion was cut from university funding, and changes made to HECS increased student payments by more than $1 billion over four years. As graduates, young people have suffered when the government increased HECS charges and lowered the repayment threshold to around $22,000. The budget contains some new money for education, but most of it merely restores funding that has been stripped away in previous Costello budgets. That is a feature so common now with any announcement the coalition have made. They are admitting the mistakes of the past and going through this last-ditch desperate attempt to backfill the huge potholes they have created in their policies, all of which have impacted negatively on the Australian community and particularly on young people.

The 2001-02 education budget reannounces the innovation statement, amongst other things. It announces $230 million of new funding for TAFE, which is less than the amount which the government cut from both TAFE and VET in 1996 and 1997. It announces 670 extra university places at a time when the number of Australian students at university fell by more than 3,000 last year, and it serves up a cheap imitation of Labor’s learning gateway with funding for an online curriculum. In adopting these measures, John Howard has admitted that he was wrong to cut funding for universities and research and development by $5 billion, wrong to cut TAFE and VET funding by $240 million, wrong to attack government schools and introduce the EBA, and wrong to drive Australian university student numbers down.

In contrast, tonight Kim Beazley has presented a vision for education and for health. He has articulated it in such a way that it causes the coalition’s already limp offerings
Member for Lindsay

Senator McGauran (Victoria) (9.18 p.m.)—Senator West’s comments against the Minister for Sport and Tourism, Miss Kelly, invite a response—as brief as I know it can be.

Senator Tambling—And comparison.

Senator McGauran—Indeed, Senator Tambling. It was a flimsy attack. I am not sure that Senator West had her heart in it. She was certainly under riding instructions—as we say in political language—from the potential candidate in this upcoming election in the seat of Lindsay. It was all written out. She read it verbatim, and it was a very flimsy attack. As is typical of such attacks, it is so very easy to misrepresent members in this house. Just because you say it, it does not mean it is right. This is a great Labor Party tactic. Over and over again, they will say something, and they believe that if they say it long enough, loud enough and convincingly enough—and on many occasions they are very convincing—then it is right. Well, it is not right.

Senator West accused Miss Kelly of rorting. That is a typical accusation from a Labor Party member against Miss Kelly. The allegations that they threw at her, viciously and personally, have been found to be false. It is just another false smear that they threw at Miss Kelly. She stood up to a full Federal Police investigation and was utterly exonerated. That is not an easy thing to go through. It is easy to make the claim, but it takes a good person to stand up to such an inquiry and be utterly exonerated. Of course there is no recognition from the opposition that she has been exonerated. It was nothing but a smear and a false attack, and it is typical. When she was found to be exonerated, there was no-one saying, ‘We were wrong,’ and no mea culpas.

That is their first tactic. They believe that, if they say it hard enough and long enough, everyone will think it is right. It is not right, and that is why I stand up to defend Miss Kelly. What really gets under the Labor Party’s skin is the fact that Miss Kelly holds the seat of Lindsay. The seat of Lindsay was blue-ribbon Labor until the vivacious, politically clever and warmly popular Miss Kelly won the seat in 1996 in a very big swing to this government and won it when the so-called Howard battlers voted in a string of Liberal Party members in inner Sydney. Miss Kelly is the most representative member in the house for the Howard battlers. In 1996, it so got under their skin—I cannot recall the member that was displaced at the time—that they ran up a spurious charge that Miss Kelly was illegitimate and it had to go to an election. Some months afterwards—

Senator West—Mr Acting Deputy President, I rise on a point of order. The honourable member is reflecting upon the member in the other place, and I would ask him to withdraw the allegation that Miss Kelly is illegitimate.

Senator McGauran—Anyone can tell the tenor of my speech is to defend Miss Kelly.

Senator West—That is not the way to do it.

Senator McGauran—You are being amusing now, Senator West. I am of course not reflecting on Miss Kelly; I am defending Miss Kelly.

The Acting Deputy President (Senator McKiernan)—Are you withdrawing?

Senator McGauran—Yes, I am withdrawing, given the lateness of the night.

Opposition senators interjecting—

Senator McGauran—Labor were alleging—

The Acting Deputy President—Order!

Senator McGauran—an illegitimate election for—

The Acting Deputy President—Order!

Senator McGauran—Miss Kelly in the seat of Lindsay.
The ACTING DEPUTY PRESIDENT—Order! When I call for order, Senator McGauran, I expect you—as I expect every other senator—to resume your seat. There has been a point of order taken. You were in the process of responding and I thought you were withdrawing an apparent reflection on a member of the other place. I am now seeking to clarify that. Are you withdrawing? If indeed you are withdrawing, you do so without qualification, and I do not think that you need the assistance of your colleague sitting in front of you.

Senator McGauran—I withdraw. But I always need the assistance of my colleague in front of me. I welcome any assistance he seeks to give me. The obvious point is that Miss Kelly, having won the seat in 1996, was attacked illegitimately by the Labor Party and therefore there was another election some months afterwards. You can see the other side now being most amused by all that, but the fact is that Miss Kelly won a second time. Within six months of the 1996 swing she won the second election and well and truly displaced the former member for a second time. That got under the skin of the Labor Party, but they thought, ‘Sooner or later this blue ribbon seat is going to come back to us, isn’t it?’ Well, in 1998 Miss Kelly put herself up again in this previously blue ribbon Labor seat and won it for a third time. Three times she has stood for election in that former blue ribbon Labor seat and has held it because she has the character and connection with the people of Lindsay that the Labor Party lost way back in 1996. As long as Miss Kelly’s name is on the ballot paper, the Liberal party will hold the seat of Lindsay.

After the 1998 election, having won the seat on the third occasion, she was appointed to the ministry as a reward and in recognition of her talents. There is no question that Miss Kelly has a special connection with the Prime Minister. He is one of her favourites, and the people of Lindsay should recognise that because she is able to use an influence that very few are able to. Miss Kelly has open-door access to the Prime Minister. Her talent was recognised in that she was appointed in 1998 in preparation for the Sydney Olympics 2000. As we all know, that was the finest Olympics ever held, thanks in no small measure to the efforts of Miss Kelly and the federal government and the contribution we made. I could go on about her endless list of achievements within the seat of Lindsay where she has been able to achieve government programs—a series of Work for the Dole programs, National Heritage Trust programs, Networking the Nation programs, and the like.

The true measure of the local member is her stand on Badgerys Creek. She made a very valiant stand for no Badgerys Creek, and we all know the heat of that particular debate. Even as a minister, Miss Kelly took the debate up to the ministry, into the cabinet, to the Prime Minister, and within the government, for no Badgerys Creek. It took a very courageous member to make that stand. She came to this parliament and truly reflected the views of the people of Lindsay against a strong counter view coming from the inner city suburbs of Sydney.

They were pretty lucky to have a Liberal member at that time. I can say, because if there had been a Labor member while this decision was being contemplated I do not think there would have been the same courage because of the power of the New South Wales Right within those inner city seats of Sydney. I would like to have seen someone other than Miss Kelly presenting the no Badgerys Creek stance as vigorously and as courageously. That really is the hallmark of Miss Kelly’s representation of Lindsay. The very flimsy attack—if you can call it an attack—by Senator West just falls over, simply by mentioning her stand on Badgerys Creek.

Let me introduce a personal note in regard to Miss Kelly. There is absolutely no doubt that she has a character that connects with that particular electorate. She has a bubbly style—we all know this—and she works very hard. And to say that she does not talk about her electorate—

Senator West interjecting—

Senator McGauran—Well, obviously you have never spoken to her. She obviously walks straight past you in the corridors, Senator West. Why would she mention to you anything about her electorate? She is back in her electorate every night of the week and every weekend campaigning—
Senator West—It is my electorate as well.

Senator McGauran—She would not even know who you are. She is one of the hardest workers for the people of Lindsay. She is in that electorate when she is not undertaking ministerial duties. It is true to say that, once you are appointed a minister, you speak less on other matters and more on the portfolio and the job you have been given in front of you—

Senator O’Brien—Eleven times!

Senator McGauran—It is a pretty cheap shot. But I will tell you one thing: you are not going to wear Miss Kelly out in this forthcoming election. She has started campaigning pretty much after the last election and I know how tough she is. I know she is a marathon runner because I happened to spend 10 days walking the Kokoda Track with her and I know the endurance and the spirit that this woman has. If you really think that you are going to knock her off this time, there is not a chance. She has all the endurance and necessary political wit that I admire in her.

Personal Explanation

Senator West (New South Wales) (9.29 p.m.)—by leave—In the earlier part of his contribution, Senator McGauran made an assertion that I had used language that was unparliamentary about some alleged rorting. If the senator reads Hansard he will discover that I did not use unparliamentary language, despite the allegations.

Senate adjourned at 9.30 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Centenary of Federation Celebrations: Minister for the Arts and the Centenary of Federation**

(Question No. 2489)

Senator Faulkner asked the Minister representing the Minister for the Arts and the Centenary of Federation, upon notice, on 29 June 2000:

1. Will the department be paying for a member or members of the Minister’s personal staff to accompany the Minister on the visit; if so: (a) which member or members of staff; and (b) what is the expected cost.

2. Will any officer from the department, or from any agency in the portfolio, be accompanying the Minister on the visit; if so: (a) which officer or officers; and (b) what is the expected cost.

Senator Alston—The Minister for the Arts and the Centenary of Federation has provided the following answer to the honourable senator’s question:

1. No.

2. The Minister was accompanied by the Chief General Manager, Film and Broadcasting at an aggregate cost of A$18,179.

**Centenary of Federation Celebrations: Minister for the Arts and the Centenary of Federation**

(Question No. 2598)

Senator Faulkner asked the Minister representing the Minister for Arts and the Centenary of Federation, upon notice, on 25 July 2000:

1. Did the department pay for any members of the Minister’s personal staff to accompany the Minister on this visit; (b) if so, which staff members; and (c) what is the total cost to the Department.

2. Did any officers from the department, or from any other agency in the portfolio, accompany the Minister on this visit; (b) if so, which officers; and (c) what is the total cost to the department.

Senator Alston—The Minister for Arts and the Centenary of Federation has provided the following answer to the honourable senator’s question:

1. No.

2. The Minister was accompanied by the Chief General Manager, Film and Broadcasting at an aggregate cost of A$18,179.

**Department of Communications, Information Technology and the Arts: Public Opinion Research**

(Question No. 2654)

Senator Faulkner asked the Minister for Communications, Information Technology and the Arts, upon notice, on 9 August 2000:

1. Since 1 July 1999, has the department or any agency in the portfolio, commissioned or participated in any way in public opinion research in non-metropolitan areas; if so, which agency or which functional area of the department.

2. What was the purpose of this research and what were the objectives as set out for the research company or body when commissioned.

3. Was any of this research designed to test the reaction of rural and regional constituents to Federal Government decisions, policies or potential policies, in any way similar to the research described in the Sunday Telegraph, 23 July 2000, page 81.

4. (a) Which company or other body carried out the research; (b) what were the research methods to be used; and (c) what was the expected timetable for this research.
(5) Was any of the work sub-contracted to any other company or body; if so, why, and to which company or body.
(6) What were the results of this research.
(7) Who made the request that this research be undertaken, and who authorised the expenditure.
(8) What was the estimated cost of this research, and what was the total cost.
(9) How will the results of this research be used.

Senator Alston—The answer to the honourable senator’s question is as follows:

(1) The following portfolio agencies have conducted or caused to be conducted Public Opinion Surveys:
   Australian Broadcasting Corporation (ABC)
   Australia Council
   Telstra
   Australia Post
   Australian Broadcasting Authority (ABA)
   Australian Communications Authority
   Department of Communications, Information Technology and the Arts
   ScreenSound Australia

   Their full answers to the honourable senator’s question follow.

DEPARTMENT OF COMMUNICATIONS INFORMATION TECHNOLOGY AND THE ARTS

(1) The Department of Communications, Information Technology and the Arts on behalf of the independent Telecommunications Service Inquiry commissioned public research of both households and small businesses in metropolitan, regional, rural and remote areas as part of its input to the Inquiry’s report.

(2) The main aim of the research was to identify consumers’ needs and expectations with regards to telecommunications services provided by both telecommunication carriers and carriage service providers.

   Other research objectives included:
   • investigating the overall satisfaction with, and relative importance of telecommunications vis a vis other service industries;
   • identifying consumer perception of change in the overall delivery of telecommunication services in the last two years;
   • identifying consumers’ current and future requirements with respect to telecommunication services;
   • identifying the service aspects which are important to consumers and whether these service aspects are identified in the CSG; and
   • identifying consumers with special telecommunication requirements and whether their needs are being met.

(3) No

(4) (a) Research International Australia

   (b) The research was based on a national telephone survey of 2,008 residential households and small businesses, using Research International’s CATI (Computer Assisted Telephone Interviewing) system. Research International developed the questionnaire in conjunction with the Inquiry Secretariat.

   (c) Interviewing took place between 19th June and 3rd July 2000. The final draft report was provided to the Inquiry on 31 August 2000.

(5) No

(6) The results of the research are available on the Inquiry’s website at www.telinquiry.gov.au

(7) The research was requested by the Inquiry members and expenditure was authorised by the Head of the Telecommunications Service Inquiry Secretariat.
(8) The cost of the research was $100,000.
(9) The research results were used as input into the Inquiry’s report to the Minister for Communications, Information Technology and the Arts.

AUSTRALIAN BROADCASTING AUTHORITY (ABA)

One of the Australian Broadcasting Authority’s primary functions under the Broadcasting Services Act 1992 (the Act) is ‘to conduct or commission research into community attitudes on issues relating to programs’. The Act also identifies a research role for the ABA under the regulatory scheme for Internet content: ‘to conduct and/or commission research into issues relating to Internet content and Internet carriage services’.

The ABA periodically conducts national surveys of the population in line with these functions. As the national surveys are with representative samples of the population, they do include participants from non-metropolitan areas. Their responses, however, are not the primary focus of the research but are included to ensure that the research reflects the views and attitudes of all Australians.

Since 1 July 1999, the ABA has participated in two research projects into Internet usage and attitudes to Internet content regulation. In August 1999, the ABA released the results of a project entitled ‘International Research on Attitudes to the Internet’, while in June 2000, the ABA commissioned research into the use of Internet services in Australian homes (study entitled ‘The Internet at Home’). Both projects involve national surveys of the population including participants from non-metropolitan areas.

Since 1 July 1999, the ABA has also commissioned and/or participated in three other research projects. These projects have covered, or will cover, non-metropolitan and metropolitan areas in Australia. The three projects are:

(i) Media use among newly arrived immigrants to Australia;
(ii) Community views about free-to-air television content 1999; and
(iii) Sources of news and current affairs.

(2) International Research on Attitudes to the Internet

The purpose of the research was to ascertain the views of people in Australia, Germany and the USA on perceived risks associated with the Internet and practical ways of managing these risks. The Bertelsmann Foundation commissioned the Allensbach Institute in Germany to conduct the research and set out the objectives for them.

The Internet at Home

The purpose of the research and the objectives as set out for the research company when commissioned, are as follows.

The research is intended to provide a comprehensive picture of the current status of online services usage in Australian homes, in particular in homes with children. It will contribute to the ABA’s expertise and understanding of the online environment. The findings will assist the ABA and industry to apply and encourage the application of appropriate and effective strategies to inform and educate Australians about online services.

The research will inform a number of decisions that the ABA will be required to make in its role as regulator of Internet content:

- Are the industry codes of practice being implemented as intended?
- What information should community education programs aim to provide?
- Who should these community education programs target?
- What is the most effective means of providing this information?

Media use among newly arrived immigrants to Australia

The ABA participated in the third wave of a Longitudinal Survey of Immigrants to Australia conducted by the Department of Immigration and Multicultural Affairs between 1997 and 1999. The survey included four questions about media use and the portrayal of ethnic groups on commercial television. The questions sought to determine:

- How often different media (radio, TV, videos, newspapers and Internet) were used;
- Which media were used most often for different content (eg. national news, international news, information, entertainment);
Community views about free-to-air television content 1999

This research is the fifth in a series of studies conducted by the ABA since 1994. The 1999 study examined attitudes to news and current affairs programs broadcast on free-to-air television, and movies that are classified M or MA on commercial television. In addition, it explored the extent of community awareness about the process of making a complaint. The objectives of the research were to:

- Explore community attitudes and perceptions about the amount and/or type of violence, sexual content, nudity, language, drug use and depictions of suicide in M and MA films;
- Determine the level and nature of concern about television news and current affairs programming in 1998/99 and the specific types of practices and representations people are concerned about. Specific issues to be addressed are the presentation of distressing material and fairness and accuracy in television news and current affairs; and
- Measure community awareness and understanding of the complaints process described in television industry codes of practice.

Sources of news and current affairs

In June 2000, the ABA commissioned research into the sources of news and current affairs and their relative level of influence. The research will explore the concept referred to in section 4(1) of the Broadcasting Services Act 1992 (the Act) that different levels of regulatory control be applied across the range of broadcasting services according to their degree of influence in shaping community views. The research will also examine the influence of media concentration on the diversity of sources of information and opinion in a political, social and cultural context as referred to in the Productivity Commission’s inquiry report on broadcasting released in March 2000. The objectives of the research are to:

- Produce a map of the Australian news and current affairs production industry in terms of its ownership, production and distribution;
- determine which media services (television, pay TV, radio, newspapers, magazines, Internet) are considered by news producers and by the public to be the primary sources of news and current affairs;
- gain an understanding of the process of Australian news and current affairs production from the perspective and practice of news producers as to what makes news;
- compare the attitudes of news producers and the public on a range of selected social, economic and political current affairs issues;
- establish a hierarchy of news and current affairs media in terms of frequency of use by various community sectors;
- examine which media services are regarded as the most credible sources of news and current affairs;
- canvass community attitudes about which news and current affairs content in different media services are the most influential in shaping community views; and
- explore which media services may be used for different kinds of news and current affairs issues.

(3) No. However, the following approaches may be relevant.

Media use among newly arrived immigrants to Australia

This research was not designed to assess differences between immigrants who settled in metropolitan and non-metropolitan areas. However, the immigrants selected for the sample had settled in metropolitan areas (State and Territory capitals) and included major urban centres close to capital cities such as Newcastle and Wollongong, plus Cairns. Immigrants who settled in other regional areas were excluded from the survey. They made up four to five per cent of total immigrants.

Community views about free-to-air television content 1999

This research was designed to assess community views and attitudes on the policy issues identified in the research objectives. It was also designed to be representative of the Australian popula-
tion in terms of geographic location and other variables such as gender and age. When tests of statistical significance were conducted on the data to determine any differences between the views of people living in capital cities compared to those living in other areas, no significant differences were found.

Sources of news and current affairs

The community survey component of this research will be designed to be representative of the Australian population and will include people living in metropolitan and regional areas. Analysis of the data will provide information about any different views between the two sub-populations. In addition to the policy issues covered in the objectives, some questions in the community survey will address whether the media give adequate coverage to issues of local significance in regional areas.

(4) (a) International Research on Attitudes to the Internet

The research was initiated by the Bertelsmann Foundation in Germany with the ABA acting as a partner for the purpose of the Australian component. The Bertelsmann Foundation commissioned the German-based Allensbach Institute to carry out the research.

The Internet at Home

The ABA has commissioned Laeta Pty Ltd (trading as Entertainment Insights) to carry out the research.

Media use among newly arrived immigrants to Australia

This research was commissioned by the Department of Immigration and Multicultural Affairs from Reark Research who conducted the survey.

Community views about free-to-air television content 1999

ABA staff facilitated the focus group research and Keys Young Pty Ltd conducted the national telephone survey which included designing the questionnaire and overseeing the survey administration.

Sources of news and current affairs

The Centre for New Media Research and Education at Bond University has been commissioned to conduct the research.

(b) International Research on Attitudes to the Internet

The research consisted of national surveys with representative samples of the population in Australia, Germany and the USA.

The Internet at Home

The research consists of three stages: focus groups, a national telephone survey of a representative sample of the population, and an Internet household panel.

Media use among newly arrived immigrants to Australia

A face-to-face survey was administered to approximately 3,752 immigrants aged 15 years and over who had been in Australia for three and a half years. The survey was representative of the full population of immigrants who arrived in Australia between 1 September 1993 and 31 August 1995. Input was ensured from a range of immigrant groups through interviews that were conducted in languages other than English.

Community views about free-to-air television content 1999

The survey took place in all States and Territories of Australia covering a representative sample of households. Telephone interviews were conducted with 1203 people aged 15 years and over between April 1999 and May 1999. Prior to the fieldwork for the national survey, in February and March 1999, staff from the ABA facilitated seven focus groups in New South Wales (Sydney and Parramatta), Queensland (Brisbane and Toowoomba) and Tasmania (Launceston and Burnie). Fifty-three people aged 15 years and over took part in the discussions. Participants in the focus groups were recruited by professional agencies in Brisbane, Sydney and Hobart.

Sources of news and current affairs

The research design has two components that comprise an industry analysis of the news and current affairs production industry (stage one) and a national survey of the community (stage two). Data for stage one will be drawn from a review of the literature, 100 telephone interviews with
news and current affairs practitioners, and 20 in-depth personal interviews with news and current affairs practitioners. Stage two will consist of a national telephone survey with 1600 people that are selected to be representative of the Australia population. Six focus group discussions with the community will also be conducted.

(c) International Research on Attitudes to the Internet

The research results were released in August 1999.

The Internet at Home

The Internet@home project commenced in June 2000. The initial research findings were released as a presentation entitled “What Users Want” given by the consultants on Friday 4 May as part of the ABA Conference in Canberra.

Further material will be released as the year progresses as part of the Online Content Community Education strategy. The results will be available after the conference paper has been released at the Conference.

Media use among newly arrived immigrants to Australia

The research was conducted between April 1997 and April 1999 with the results being provided to the ABA in November 1999. A report was produced by the ABA early in 2000.

Community views about free-to-air television content 1999

The national survey was conducted in April and May 1999, and final data tables were provided to the ABA at the end of May 1999. A research monograph was published by the ABA in February 2000.

Sources of news and current affairs

The sources of news and current affairs research results were released on 3 May 2001 at the ABA Conference in Canberra. The published results will be available for purchase from the ABA.

(5) Yes, elements of this work were sub-contracted to other bodies.

International Research on Attitudes to the Internet

As the Allensbach Institute is based in Germany, it sub-contracted the conduct of the national survey in Australia to Newspoll.

The Internet at Home

Urban Research, RiverCity Research and InfoNet Market Research Services were sub-contracted to undertake recruitment for the focus groups. Fieldworks was sub-contracted to conduct the national telephone survey. Ms Patricia Gillard, Principal of User Insite, has been sub-contracted to provide expert advice on the design of the research.

Media use among newly arrived immigrants to Australia

The ABA is not aware that any work was sub-contracted. Community views about free-to-air television content 1999 Administration of the national telephone survey was sub-contracted by Keys Young Pty Ltd to Ekas Marketing Research Services who specialise in such work.

Sources of news and current affairs

It is expected that Bond University will sub-contract a professional facilitator to conduct the focus group research with members of the community in Stage 2 of the research.

(6) International Research on Attitudes to the Internet

Results of the research were released on 24 August 1999 (a copy of the news release is attached).

The Internet at Home

The Internet@home project commenced in June 2000. The initial research findings were released as a presentation entitled “What Users Want” given by the consultants on Friday 4 May as part of the ABA Conference in Canberra.

Further material will be released as the year progresses as part of the Online Content Community Education strategy. The results will be available after the conference paper has been released at the Conference.

Media use among newly arrived immigrants to Australia
The results indicated that the level of television and Internet use by immigrants was similar to the Australian population as a whole. There was a diverse range of opinions held by newly-arrived migrants about the portrayal of ethnic groups on commercial television. For instance, slightly more than a third agreed that commercial television accurately reflected what ethnic groups in Australia are really like. Slightly under a third did not agree and a similar number were undecided. Although the majority of respondents did not perceive commercial television programs as helpful for learning about Australia (58%), the majority disagreed with the view that more programs should show ethnic groups living in Australia (64%). The ABA has published the full report of results Media use among newly arrived immigrants to Australia on its web site at www.gov.au/what/research/other.htm#migrant. A summary was published in ABA Update number 86, April 2000.

Community views about free-to-air television content 1999
The study found that one-third of those surveyed were concerned or offended by some aspect of free-to-air television content in the previous three months. The portrayal of violence displaced news and current affairs as the area of greatest concern in the 1999 survey. When asked specifically about news and current affairs programs 30% were concerned or offended by something they had seen. Sixteen per cent believed that certain material in M and MA movies on commercial television from 8.30pm should have been broadcast at a later time or not shown at all. A small proportion of the survey sample had acted on their concerns by making a complaint (6%). Reasons for not complaining included the belief that a complaint would not change what is shown on television (58% of the survey sample) and a general lack of knowledge about who to complain to (50%). The full results are published in the ABA monograph, Community views about content on free-to-air television 1999, Monograph 9, February 2000.

Sources of news and current affairs
The ABA will publish the research results in the first half of 2001.

(7) International Research on Attitudes to the Internet
The Bertelsmann Foundation requested the ABA’s involvement as a research partner. The ABA’s Deputy Chairman authorised the expenditure.

The Internet at Home
The ABA has a research role under the regulatory scheme for Internet content: ‘to conduct and/or commission research into issues relating to Internet content and Internet carriage services’. An initial proposal for the research was endorsed by the ABA’s Online Committee at its meeting of 17 February 2000. The ABA endorsed the appointment of the research consultant at its meeting on 25 May 2000. The contract with the research consultant was signed by the Director Policy and Content Regulation Branch.

Media use among newly arrived immigrants to Australia
A proposal for this research was approved by the ABA’s Research Committee on 10 January 1997. The expenditure was authorised by the Director, Program Services Branch.

Community views about free-to-air television content 1999
An initial brief for the research was endorsed by the ABA’s Codes and Standards Committee on 23 September 1998. The final brief was approved by the ABA on 8 October 1998, and at its meeting on 26 October 1998, the ABA approved the appointment of Keys Young Pty Ltd to carry out the research. The contract with Keys Young Pty Ltd was signed by the Director, Policy and Content Regulation Branch, on 28 January 1999.

Sources of news and current affairs
The ABA identified the topic as an area requiring research and this was supported by the Productivity Commission in its inquiry into broadcasting (page 448, Report on Broadcasting, April 2000). The topic was approved in May 2000 by the ABA’s Policy and Strategy Committee as part of the research program for 2000/01. The ABA meeting in June 2000 approved that the Centre for New Media Research and Education, Bond University, be commissioned to conduct the research. The contract with Bond University was signed by the ABA Chairman, on 23 June 2000.

(8) International Research on Attitudes to the Internet
The ABA contributed $17,000 to the conduct of this research.
The research budget is $150,000 and the project is on track to meet this budget.

Media use among newly arrived immigrants to Australia
Estimated cost: $20,000
Total cost: $20,000

Community views about free-to-air television content 1999
Estimated cost: $44,100
Total cost: $44,100

Sources of news and current affairs
Estimated cost: $101,035

International Research on Attitudes to the Internet
The results of the research have informed the ABA’s implementation of the regulatory scheme for Internet content.

The research will inform a number of decisions that the ABA is required to make in its role as regulator of Internet content:
- Are the industry codes of practice being implemented as intended?
- What information should community education programs aim to provide?
- Who should these community education programs target?
- What is the most effective means of providing this information?

Media use among newly arrived immigrants to Australia
The research will help the ABA develop policy relevant to Object 3 (c) of the Broadcasting Services Act “to promote the role of broadcasting services in developing and reflecting a sense of Australian identity, character and cultural diversity”. It will also contribute to any review of the Commercial Television Industry Code of Practice advisory note on The Portrayal of Cultural Diversity aimed at promoting an awareness of Australian’s multicultural society.

Community views about free-to-air television content 1999
In general the results are used to monitor the effectiveness of television industry codes of practice. The findings about M and MA classified movies will contribute to a review to be conducted by the Authority under Section 123A of the Act as it relates to commercial television. This review aims to ensure that provisions in codes of practice relating to the classification of movies, the times when movies are broadcast and consumer advice are in accordance with prevailing community standards. The survey results will provide a benchmark for the future assessment of two important changes made to the Commercial Television Industry Code of Practice in April 1999 in response to earlier surveys. A new AV (adult violence) classification was introduced and broadcasters are now required to provide regular on-air information about the code of practice and complaints procedures.

Sources of news and current affairs
The research results will be used by the ABA to assess the validity of section 4(1) of the Act in relation to different levels of regulation for different news and current affairs media on the basis of their influence. It will also inform the ABA and the Minister on the nature of any relationship between media concentration and the diversity of news and current affairs sources, and how adequately matters of local significance are covered by media in regional areas.

AUSTRALIA POST
(1) Australia Post has conducted a range of market research studies amongst customers in metropolitan and non-metropolitan areas since July 1999, most of which related to service performance and product usage.
(2) One ongoing study, known as the Corporate Image Monitor (CIM), is conducted to gauge customers’ attitudes to Australia Post across a range of measures (eg general perceptions, media and performance satisfaction on all points of contact with Australia Post).
(3) No.
(4) (a) The CIM is conducted by the Wallis Group Pty Ltd.
    (b) The CIM involves telephone interviews with around 1,500 private and 2,400 business customers annually, in both metropolitan and non-metropolitan areas.
    (c) The CIM is conducted on a monthly basis for approximately six months per year.
(5) No.
(6) Current results of the CIM indicate that 87% of customers in non-metropolitan areas and 85% of customers in metropolitan areas hold a highly favourable or somewhat favourable view of Australia Post.
(7) Australia Post’s Corporate Public Affairs Group commissioned the study and its Executive Committee authorised the expenditure.
(8) The original estimated cost of the CIM was between $192,000 - $240,000. The actual annual cost is $170,000.
(9) Australia Post senior management use the results of the CIM for internal communications purposes and to identify issues that may require remedial action.

TELSTRA
(1) Yes.
(2) Telstra conducts numerous research projects through “Market Research @ Telstra”, a group accountable for all market research conducted across the company and whose role is to help the company meet the growing communications needs of the whole market. Research is undertaken for a number of reasons such as to help develop new markets and identify new opportunities, to measure and improve customer service, product performance, and marketing initiatives. The majority of the projects undertaken involve a “Country” component, and customers in regional and rural areas are regularly interviewed. Customers’ opinion, attitudes and behaviour are constantly researched through ad hoc studies as well as ongoing monthly monitors such as the Relationship and Competitive Activity Monitor which collects a measure of the strength of customer’s relationship with Telstra. Other ongoing monitors include all of Telstra’s Service Interaction Research which evaluates the quality of interaction that customers have had with Telstra.
(3) No
(4) (a) A wide range of carefully selected external research consultants are commissioned by Telstra Market Research to run these projects on its behalf.
    (b) Depending on the objectives of a particular study, Telstra undertakes a number of qualitative studies, mostly in the form of customer focus groups. Large scale quantitative studies are also undertaken on an ongoing basis and customers Australia wide are surveyed face to face or over the phone.
    (c) Depending on the projects, these studies can take between 2 weeks and several months. Telstra also has a number of ongoing monthly monitors.
(5) See answer to question 4.
(6) What were the results of this research? “Market Research @ Telstra” manages and conducts up to 500 projects per year for up to 1000 internal clients. Results are communicated to Telstra clients who incorporate them into their management decisions, and implement the research findings.
(7) The research work is undertaken on behalf of, and is funded by, various groups within Telstra. The key customers are Telstra’s business units, particularly marketing, service and sales as well as public affairs areas.
(8) Telstra regards this as commercial-in-confidence information
(9) See answer to Question 6.

AUSTRALIAN COMMUNICATIONS AUTHORITY (ACA)
(1) Customer Service Survey
Survey of metropolitan and rural customers of the ACA, including those applying for new or re-
newed radiocommunications licences and frequency assignments, and customers with electro-
magnetic interference problems, conducted quarterly across all ACA Area Offices.

*Consumer Awareness and Information Needs 2000*
A national survey of residential and small business customers. Sample includes consumers in met-
ropolitan and non-metropolitan (regional, rural and remote) areas.

*Consumer A-Tick Awareness Market Research*
Omnibus national survey across urban and regional areas.

*Consumer Satisfaction Survey*
Annual survey of telecommunications consumers including those in non-metropolitan areas.

*Number Capacity Planning Consumer Opinion Survey*
A national omnibus survey of residential and small business end-users in metropolitan and non-
metropolitan areas.

(2) **Customer Service Survey**
The research provides a means of measuring ACA customer service against the standards in the
ACA’s Customer Service Charter. The specific research objectives of the client survey were to:

- gauge client perceptions of service delivery—focus on measuring outcomes of changes made
to ACA client service delivery in response to the findings of the 1997 survey; and
- establish an ongoing performance index—this index will allow the ACA to monitor and evalu-
ate the status of its service delivery in terms of quality and assess the effectiveness of im-
provements made.

*Consumer Awareness and Information Needs 2000*
To obtain information necessary to meet the ACA’s legislated responsibility to provide informa-
tion to the community about communications issues. The specific purpose of this annual research
is to identify issues for future information campaigns, including issues consumers would like in-
formation about. The research objectives for the 2000 research were to determine:

- the extent of awareness and understanding of competition in the telecommunications industry;
- the issues that consumers face in choosing from the available products and services, including
the information and understanding needed to make effective choices;
- the issues of most importance and concern to consumers and their understanding of those is-
issues;
- the awareness and understanding of existing consumer safeguards, such as the customer serv-
ice guarantee and universal service obligation; and
- attitudes toward the competitive environment with a view to gauging consumer mood and
sentiment.

*Consumer A-Tick Awareness Market Research*
This research was to test consumer awareness and understanding of the ACA’s A-Tick labelling
for communications equipment and what it means. In particular, the research was to ascertain con-
sumer awareness levels of the labelling compliance requirements on manufacturers and importers
of communications equipment, in order to:

- establish current levels of consumer awareness and understanding of the A-Tick mark;
- establish how best to increase consumer awareness levels through a proposed campaign; and
- develop a campaign, which can be measured and evaluated for effectiveness through conse-
quent rounds of market research.

*Consumer Satisfaction Survey*
Purpose and objectives of this annual research are to determine consumer satisfaction with various
aspects of telecommunications services, including fixed phone, mobile phone, Internet access, pay
TV and payphone services.

*Number Capacity Planning Consumer Opinion Survey*
Purpose and objectives of the research were to ascertain the understanding and expectations of dif-
ferent telephone user groups regarding the availability of geographic information in numbers. The
survey also sought information on awareness levels of new prefixes introduced in Sydney, Mel-
bourne and Perth. Information was also requested on the preference of end-users for number (location) portability as against retention of the current levels of geographic information in numbers. It was intended that some of the results of the survey would be directly comparable to a similar survey conducted in 1991.

(3) Customer Service Survey

No.

Consumer Awareness and Information Needs 2000

While the research covered aspects of Government policy, including competition and specific policy issues such as consumer safeguards (for example, the Customer Service Guarantee and the Universal Service Obligation), it was designed to test residential and small business consumers' awareness and understanding of communications issues rather than their reactions to policies.

Consumer A-Tick Awareness Market Research

No.

Consumer Satisfaction Survey

No.

Number Capacity Planning Consumer Opinion Survey

No.

(4) Customer Service Survey

(a) Orima Research Pty Ltd;

(b) the survey targets clients in four service delivery categories who have obtained a service from the ACA over the previous quarter, using four questionnaires in a mail-out survey and in some cases a follow-up telephone interview (survey is cleared by the Australian Bureau of Statistics Statistical Clearing House);

(c) the survey is ongoing and is conducted quarterly.

Consumer Awareness and Information Needs 2000

(a) The Research Advantage;

(b) annual (first conducted in 1998–99) quantitative study using a telephone survey of 1,200 residential consumers and 327 small business consumers, randomly selected from telephone directories;

(c) fieldwork for the 2000 survey was conducted in July 2000 and results provided to the ACA. The results of this research were released in December 2000. They can be seen at the ACA's web site at:


A-Tick Awareness Consumer Research

(a) ACNielsen Research Pty Ltd;

(b) a pre-structured questionnaire was a component of an ACNielsen Face to Face Omnibus survey (national house to house interview survey of 1,081 people covering both city and rest of State areas of each Australian State—distribution of the survey sample is in proportion to that of the known population both on a State level and within State, in city and country areas);

(c) the omnibus survey containing the ACA's questionnaire was conducted in August 2000.

Consumer Satisfaction Survey

(a) Research International;

(b) a random sample survey of approximately 1,500 households and small businesses in urban and non-urban areas across Australia;

(c) the survey was conducted May 2000 and data from the survey were released on the ACA website in November 2000. They can be seen at the ABA's web site at:


Number Capacity Planning Consumer Opinion Survey
(a) Newspoll Research;
(b) a random survey sample of 1,400 residential and small business end-users in metropolitan and non-metropolitan areas across Australia;
(c) The survey was conducted as part of an omnibus survey in November 1999 and is part of a wider ACA study into demand management issues for geographic numbers.

(5) Customer Service Survey

As far as the ACA is aware the work was not sub-contracted.

Consumer Awareness and Information Needs 2000
No.

A-Tick awareness consumer research
No.

Consumer Satisfaction Survey
Sample selection work was subcontracted to a company called Oz Info as they have the specialised skills to draw the kind of sample required for this survey.

Number Capacity Planning Consumer Opinion Survey
No.

(6) Customer Service Survey

An average of 83 per cent of respondents expressed satisfaction at the level of ACA service provided, the same level of satisfaction found in the previous survey in 1997. The table indicates the percentage of overall satisfaction obtained in each of the quarterly surveys conducted during 1999–00. The figures are based on the collective service delivery results for the 11 ACA Area Offices around Australia.

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<td>Average level of satisfaction</td>
<td>850</td>
<td>799</td>
<td>910</td>
<td>800</td>
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<td></td>
<td>86%</td>
<td>82%</td>
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In addition to providing feedback to the ACA on service delivery standards, the surveys provide feedback on a range of other matters including design and layout of forms, and information about licensee responsibilities, and also provide a client perspective of electronic commerce interaction with the ACA.

Consumer Awareness and Information Needs 2000

The survey results revealed variations in consumer awareness and understanding of communications issues:

- There was a high level of awareness of general competition issues, such as the availability of different service providers. There was also a good awareness of some specific issues, including being able to choose another provider by dialing an over-ride code prior to the number required and that a caller’s number may be displayed on a calling number display device by the receiver unless the caller prevents it.
- Issues where there was some uncertainty or low awareness included the introduction of mobile number portability in the near future and whether Internet service providers are required to provide connection to the Internet for the cost of a local call.
- Issues on which consumers wanted more information included consumer safeguards (for example, the Customer Service Guarantee and the Universal Service Obligation), number portability (the ability to keep your number when changing provider) and privacy and security issues (including calling number display).
- The survey also sought to establish the types of communications services used and found that mobile phone and Internet access had increased from the previous survey for both residential and small business users.

Consumer A-Tick Awareness Market Research

86 per cent of respondents said they had not seen the A-Tick mark, and of those, only 19 per cent knew what it meant. Awareness and understanding of the A-Tick were generally very low.

Consumer Satisfaction Survey
Results of the survey were released on the ACA website in November 2000:

Number Capacity Planning Consumer Opinion Survey

The research results were:

- 63 per cent of respondents indicated it was important for a phone number to indicate the area or location of the person being called, whether the call was likely to be an STD call and to ascertain the location of tradespeople;
- 85 per cent of respondents indicated it was important to be able to move your phone number within the same suburb/town;
- 48 per cent of respondents indicated it was important to be able to move your number within the same State;
- 29 per cent of respondents indicated it was important to be able to move your number within all parts of Australia;
- Of those respondents who indicated it was both important to be able to ascertain the area or location of the person being called and to be able to move their phone number with them, there was a relatively even split when respondents were asked to select which was the most important—there were different findings depending on age group, with the 50+ age group indicating a preference for number portability and the youngest age group (18–24) indicating a 58 per cent preference for location identification;
- Awareness of geographic information in local numbers was relatively high, with 68 per cent of respondents reportedly aware that the location of a call can be identified from the first four digits of the local number in most cases;
- 70 per cent of respondents believe they would be impacted if they could no longer ascertain the State or region, or the town or suburb they were calling from the area code and prefix;
- The perceived importance of telephone numbers identifying geographic areas was less important in 1999 (63 per cent) than in 1991 (78 per cent); and
- The perceived importance of being able to keep your phone number when moving locally was more important in 1999 (85 per cent) as compared to 79 per cent in 1991.

(7) Customer Service Survey

The research was commissioned as part of the Group’s 1999–2002 Business Plan, agreed to by the ACA Executive. The expenditure was authorised by the ACA’s Executive Manager Customer Services

Consumer Awareness and Information Needs 2000

The research was agreed to by the ACA Executive and authorised by the ACA’s Executive Manager Consumer Affairs Group.

Consumer A-Tick Awareness Market Research

The research was requested and authorised by the ACA’s Executive Manager, Standards and Compliance as part of the ACA’s business planning for the telecommunications regulatory arrangements compliance and labelling scheme.

Consumer Satisfaction Survey

This is the third annual survey conducted by the ACA to meet legislative obligations to report annually to the Minister for Communications, Information Technology and the Arts on consumer satisfaction with the telecommunications industry. The survey was commissioned and expenditure authorised by the ACA’s Senior Executive Manager Telecommunications.

Number Capacity Planning Consumer Opinion Survey

This research was commissioned as part of a wider ACA study of demand management issues relating to the geographic numbering resource. The survey was authorised by the Executive Manager of the Telecommunications Licensing Group.

(8) Customer Service Survey

The original estimated cost of the research was $30,000, based on a single comprehensive survey of the ACA’s client base of approximately 80,000 persons/companies. However, as part of the tender process a contract for $40,000 (including initial set-up costs) was established to provide a
number of smaller targeted surveys conducted on a quarterly basis over the 1999–00 financial year.

Consumer Awareness and Information Needs 2000
$75,000

Consumer A-Tick Awareness Market Research
$18,700

Consumer Satisfaction Survey
$61,500

Number Capacity Planning – Consumer Opinion Survey
$31,821

(9) Customer Service Survey
The results are used to obtain client feedback in order to assess and improve service delivery, information services and administrative processes, including forms.

Consumer Awareness and Information Needs 2000
The results provide a baseline study for reporting on consumer awareness levels and allow the ACA to track awareness over time. This information will be reported in the ACA’s Annual Report, and also contribute to the annual Telecommunications Performance Report.

The levels of awareness of particular issues evident from the survey and the information requirements nominated by survey respondents will inform the development of the ACA’s consumer information strategies.

Consumer A-Tick Awareness Market Research
The research will be used to develop a promotional campaign to raise awareness and understanding of the A-Tick and what it means for consumers. This is aimed at addressing problems with the continuing sale of non-permitted telecommunications equipment items by encouraging consumers to make informed choices before purchasing equipment. The campaign is supported by manufacturers and suppliers of permitted products, carriers and service providers who want to reduce the problems for the industry resulting from the sale and use of non-permitted equipment.

Consumer Satisfaction Survey
The results of the survey will be included in the annual report (Telecommunications Performance Report 1999–00) to the Minister for Communications, Information Technology and the Arts, for tabling in Parliament. The results were included in a special report released on the ACA website in November 2000.

Number Capacity Planning Consumer Opinion Survey
The results of this research have been documented in a number of articles in ACA publications. However the primary purpose of the research is to contribute to a wider study of issues related to geographic numbering. These issues will be fully explored in an extensive Public Discussion paper to be released later this year which will examines a broad range of factors impacting on geographic numbering. Results of this research have also been used to gauge the awareness levels of end-users to the introduction of new prefixes in Sydney, Melbourne and Perth. The information gained is being used to assist in the preparation of information initiatives being developed to aid the smooth introduction of further new prefixes.

SCREENSOUND AUSTRALIA
(1) Yes.
Client Services Section (CS), and
Product Development and Merchandising Section (PDM).
While these two surveys did not specifically target non-metropolitan areas, regional input was received.

(2) CS To survey the level of client satisfaction of ScreenSound’s information and copying services.
PDM To develop a demographic profile of ScreenSound Australia customers, receive feedback on specific products and suggestions for future products.
Australian Marketing and Research Services.

PDM Original surveys were initiated and compiled by PDM, and research company, Cuetel Pty Ltd, was retained to assess and analyse the survey forms.

(b) CS Random selection of 300 clients from six client groups were contacted by mail, phone and email, and asked a set of questions.

PDM Survey forms included with products sold.

(c) CS Three weeks during July 2000.

PDM Ongoing with formal analysis at specified intervals.

(5) No

(6) CS The report produced revealed a 95 per cent client satisfaction rate, with 97 per cent of requests serviced within or before the deadlines requested by customers.

PDM A report was generated which provided recommendations for the future marketing of product and showed that 92 per cent of respondents were very satisfied with the product purchase.

(7) ScreenSound Australia requested this research be undertaken and authorised the expenditure.

(8) CS The estimated and total cost was $4,510.

PDM The estimated and total cost was $4,500.

(9) CS Performance reporting, and assessing and investigating ways to improve service delivery.

PDM Performance reporting, planning of future products, and developing a database of customers and marketing strategies for increasing product sales.

AUSTRALIA COUNCIL

(1) Yes, by the Australia Council’s Policy Communications & Planning Division, as part of national research into public attitudes to the arts. Regional Australia was polled within the random geographic sample for the quantitative part of the research, and interviews and focus groups were held in regional Australia as part of the overall national research.

(2) The Australia Council commissioned Saatchi & Saatchi Australia to conduct research into how Australians see the arts today and how they would like to see the arts in the future.

This research was conducted under the Promoting the Value of the Arts (PVA) Strategy. The long-term objective of promoting the value of the arts is to achieve a broader recognition of what constitutes the arts and to foster more positive attitudes towards their role in Australia’s social, cultural and economic development over the period of the strategy.

(3) No.

(4) (a) Saatchi & Saatchi Australia

(b) The research used 16 general community groups in Sydney, Parramatta, Melbourne, Frankston, Brisbane, Caboolture, Charleville and Newcastle. A number of interviews and roundtables were held, involving over 200 people from the arts sector and initial quantitative research, through an omnibus telephone survey of 1200 people, was also undertaken. A more detailed quantitative telephone survey of 30 minutes duration, involving 1200 people, was conducted to conclude the study. The methodology also included desk research.

(c) February 1999 to June 2000.

(5) Saatchi & Saatchi may have employed service providers in conducting the research.

(6) The Australia Council has published a report on the findings of the PVA research referred to in part (2) of the question. This document, titled ‘Australians and the Arts’, was released in April 2000 and is available on the Australia Council’s web site, www.ozco.gov.au, together with the current status of implementation.

(7) The Australia Council requested the undertaking as a means to address the priorities it set for the 1999-2001 period. The Chair authorised the commissioning of the consultants.

(8) Estimated cost $120,000. Total cost $167,058 (additional costs related to increasing survey sample size and conducting the pilot omnibus telephone survey).
To inform the Australia Council’s national three year promotional strategy. This is a crucial means to address emerging challenges for the management of Australia’s cultural resources into the 21st century – one of which is to increase community engagement with the arts.

AUSTRALIAN BROADCASTING CORPORATION (ABC)

In December 1999, the ABC commissioned The ABC Performance Study in both metropolitan and non-metropolitan areas.

The ABC Performance Study was part of a study tracking the public’s perception of the performance of the ABC. The research was conducted annually (beginning in 1998) so movements in public opinion could be measured and tracked over time. The objective of the study was to measure the public’s perception of the performance of the ABC across television, radio and online against relevant performance measures. The performance of the ABC was measured among users and non-users of ABC services. Users of the ABC were also asked for their opinion about the type of news and current affairs covered by the ABC and whether they thought the ABC had too much coverage, not enough coverage or about the right amount of coverage of a series of issues.

No work was sub-contracted to another company.

The results indicated favourable public opinion about the ABC’s programs and its value to the Australian community.

The study was requested by ABC senior management, with expenditure authorised by the ABC’s Head of Local and Regional Services.

The final cost of this research was $73,816.

The results of this research were used to provide the ABC with a durable benchmark about community perceptions of the performance of the organisation. Results also provided the ABC with a durable benchmark about community perceptions of the ABC’s coverage of a range of news and current affairs issues.

The following portfolio agencies have not conducted Public Opinion Surveys:
- Special Broadcasting Service (SBS)
- NetAlert
- National Museum of Australia
- National Office for the Information Economy
- National Archives of Australia
- National Library of Australia
- National Gallery of Australia
- Australian National Maritime Museum
- National Science and Technology Centre
- Australian Film Commission
- Film Australia Limited
- Australian Film Finance Corporation.

Australian Seafarers: Tax Concessions

(Question No. 3207)

Senator O’Brien asked the Minister representing the Treasurer, upon notice, on 18 December 2000:
(1) Is the Minister aware that the Administrative Appeals Tribunal (AAT) case to which he referred is not yet settled.

(2) Will the AAT decision be appealed by the taxpayer in the Federal Court.

(3) Is the Chief Justice of the Federal Court considering whether the appeal should go directly to a Full Court in view of its importance as a test case.

(4) If the taxpayer were not ultimately successful, what does the Government propose to do about this discrimination against Australian resident taxpayers who are seafarers, when Australian resident taxpayers who work on land can have access to this exemption.

(5) What efforts has the Government made to assess what world’s best practice is for tax regimes amongst nations that have resolved to maintain a viable resident maritime work force rather than letting their maritime work force wither.

**Senator Kemp**—The following amended answer is provided to the honourable senator’s question:

(1) to (3) The Administrative Appeals Tribunal (AAT) case to which I referred in my response to your previous question on notice was Chaudri v FC of T 98 A TC 2120. The Commissioner of Taxation informs me that an application for leave to extend time in which to lodge an appeal against the decision of the AAT was granted on 6 October 2000. A Notice of Appeal was filed in the Melbourne Registry of the Federal Court of Australia on 16 October 2000 and the appeal was heard by the Full Court on 7 May 2001. The Full Court delivered judgement on 11 May 2001, holding that there was no error of law in the decision of the AAT and dismissing the appeal.

(4) to (5) The arrangements for the taxation of seafarers are longstanding. In relation to the application of the exemption provided by s.23AG of the Income Tax Assessment Act, I refer you to the answer I provided to your previous question on notice No.2287.

**Hotels: Foreign Employees**

(1) Under what type of labour agreement, or temporary working visa, have hotels been given permission to employ foreign hotel housekeepers, cleaners or room attendants since 1995.


   (a) how many applicants, and from which hotels or hotel groups, did the department receive to import and employ hotel housekeepers, cleaners or room attendants;

   (b) how many applications were granted by the department for hotel housekeepers, cleaners or room attendants to be employed by hotels or hotel groups;

   (c) what were the minimum and maximum periods granted by the department to hotel housekeepers, cleaners or room attendants to be employed by hotels or hotel groups;

   (d) what were the numbers of hotel housekeepers, cleaners or room attendants applied for to be allowed to enter Australia by each hotel and hotel groups;

   (e) what were the numbers of hotel housekeepers, cleaners or room attendants eventually granted permission to enter Australia by each hotel or hotel groups;

   (f) what evidence did the department seek for each hotel, or hotel group, that they had, unsuccessfully, sought to fill jobs as hotel housekeepers, cleaners and room attendants with Australian residents; and

   (g) what types of evidence, and why was this evidence deemed to be satisfactory, was provided to the department that a proper process had been followed to fill these jobs as hotel housekeepers, cleaners and room attendants with Australian residents.

(3) Did the foreign hotel housekeepers, cleaners and room attendants given permission to work in Australia all come in under one category of temporary working visas “skilled class” or did some of them enter under other working visa categories, such as cultural class or international relations class.
Senator Ellison—The Minister for Immigration and Multicultural Affairs has provided the following answer to the honourable senator’s question:

(1) Hotels have been given permission to bring to Australia non-executive staff under a temporary entry labour agreement and on temporary business (long stay) visas. A number of other people who have come to Australia on working holiday visas or on student visas may be employed by the hotel industry, but these people are not sponsored for entry by the hotel industry.

(2) (a)-(g) Statistics to this level of detail are not readily available from departmental systems. However, a check of departmental records has revealed two instances where the entry of staff of the nature of housekeepers, cleaners or room attendants has been approved:

- Under a labour agreement, an international standard holiday resort was approved to bring to Australia a limited number of Holiday Guest Facilitators between 1999 and 2001. The terms of this agreement are “commercial-in-confidence” but the Agreement was only entered into by the Department of Immigration and Multicultural Affairs (DIMA) and the Department of Employment, Workplace Relations and Small Business (DEWRSB) on behalf of the Commonwealth once the hotel group had demonstrated; a genuine need for the workers; that entry would promote additional job opportunities for Australians; that award rates of pay and conditions would apply; that positions had been advertised in a variety of media, including major daily newspapers; and following consultation with the relevant union. The visas granted allowed stays in Australia of between 3 and 12 months.

- The Sydney Regent Hotel was approved to bring in 11 Executive Room Attendants to Australia between 1999 and 2001. This was only approved after DIMA was satisfied that the Hotel had thoroughly tested the Australian labour market (including through advertising in a major daily newspaper) without success, that the positions needed to be filled and an undertaking to meet Australian award rates of pay and conditions was supplied and the occupants of the positions were to provide training and supervision of junior staff recruited in Australia. Eight of the overseas employees were granted a visa authorising a stay of 12 months, one for a stay of six months and 2 for a stay of 3 months.

(3) All hotel staff referred to in (2) came to Australia on temporary business (long stay) subclass 457 visas.

Sydney Regent Hotel: Foreign Employees

(Question No. 3497)

Senator O’Brien asked the Minister representing the Minister for Immigration and Multicultural Affairs, upon notice, on 6 March 2001:

(1) Has the Sydney Regent Hotel applied to the department and been granted permission to bring to Australia hotel housekeepers, cleaners or room attendants.

(2) In what years were these applications made.

(3) In what years were these applications granted.

(4) Under what visa or labour agreement category were these applications granted.

(5) How many, and for what period, have foreign hotel housekeepers, cleaners and room attendants been given permission to work at the hotel in each year that approval was granted.

(6) If the Sydney Regent Hotel was granted permission to bring to Australia hotel housekeepers, cleaners or room attendants:

(a) exactly what type of proof, if any, was provided that the employer had tried to find locally suitable employees; and

(b) what type of proof, if any, was provided that this attempt had been unsuccessful.

(7) Can examples of the types of proof, such as names of newspapers where advertisements were placed and the dates when advertisements were placed, be provided.

Senator Ellison—The Minister for Immigration and Multicultural Affairs has provided the following answer to the honourable senator’s question:

(1) The Sydney Regent Hotel applied and was approved as a pre-qualified business sponsor on 21 July 1999. As an approved pre-qualified business sponsor, the Hotel can lodge nomination applications up until 21 July 2001 on behalf of overseas workers they want to employ on a temporary basis. Individual nominations and associated applications from staff need, of course, to be individually considered. Eleven nominations for Executive Room Attendants have been received and visas granted.

(2) The sponsorship application by the Sydney Regent Hotel was approved on 21 July 1999.
Applications nominating the 11 positions to be filled were lodged on 12 January 2001 and approved on 23 January 2001.

The sponsorship and subsequent nomination and applications were granted under the Business (long stay) subclass 457 visa program.

In January 2001 the Sydney Regent Hotel made applications for Business (long stay) subclass 457 visas enabling the transfer of eleven staff from its sister operations in Jakarta (nine positions) and Hong Kong (two positions) to fill positions as Executive Room Attendants. (There are no other hotels in the chain in Australia). Eight were granted a visa authorising a stay of 12 months, one for a stay of six months and 2 for a stay of 3 months.

(a) The Sydney Regent Hotel had labour market tested these positions. The Hotel stated that it needed to bring in the 11 staff as Executive Room Attendants to supervise and coordinate the activities and training of junior housekeeping staff.

(b) The labour market testing comprised classified advertisements and display advertisements on at least three occasions in October 2000 in the Sydney Morning Herald.

See (6)(b).

Sydney Regent Hotel: Foreign Employees
(Question No. 3498)

Senator O’Brien asked the Minister representing the Minister for Immigration and Multicultural Affairs, upon notice, on 6 March 2001:

(1) If the Sydney Regent Hotel has employed foreign hotel housekeepers, cleaners or room attendants with the approval of the department in any of the years 1995, 1996, 1997, 1998, 1999, 2000, 2001 what monitoring was in place to ensure that all the temporary residents paid the required taxes and did not have access to social welfare benefits or national public health cover.

(2) If the payment arrangement put in place by the Sydney Regent Hotel for foreign hotel housekeepers, cleaners or room attendants, employed with the approval of the department, is such that they do not receive any wages from the Sydney Regent Hotel but only allowances and other entitlements, does that mean that no taxes can be collected by federal authorities or state authorities.

(3) Is this in any way a contravention of the current temporary residents work visa rules.

(4) Does this undermine the spirit of the temporary residents work visa rules in reference to payment of appropriate taxes.

(5) If the Sydney Regent Hotel was approved as a sponsoring employer by the department under any category of the working visa project, and a condition of this sponsorship is that the sponsor be a direct employer of the temporary entrant, can it be deemed a contravention of the rules if the housekeepers, cleaners or room attendants actually continue to have their wages paid by a foreign hotel which is part of the same hotel chain.

(6) If the Sydney Regent Hotel was approved as a sponsoring employer of temporary residents by the department, what evidence did the employer provide, as currently required under the rules of these programs, that this group of housekeepers, cleaners or room attendants will benefit Australia or advance Australian skills.

(7) If the Sydney Regent Hotel was approved as a sponsoring employer for foreign housekeepers, cleaners and room attendants, what monitoring processes were put into place to ensure they complied with Australian industrial relations laws, Australian levels or remuneration and conditions of employment, as provided under this program.

(8) Is the Minister aware that the Sydney Morning Herald reported a spokesman for the Sydney Regent Hotel on 29 August 2000 as saying the company paid Australian wages to the foreign housekeepers.

(9) Is the Minister aware that the Sydney Morning Herald reported on 2 March 2001 that the same hotel only paid these foreign housekeepers a $100 allowance, with wages paid by the home country hotel.

(10) Has the Minister asked the department to investigate these seemingly contradictory statements.

(11) Could it be possible that the two different newspaper reports are an indication that the visa rules are not being adhered to properly.
(12) Is the Minister aware that on Sydney radio stations 2CH and 2GB at 10 pm on 1 March 2000, as monitored by Rehame, the general-manager for the Sydney Regent Hotel referred to the fact that his Indonesian and Hong Kong employees were receiving a ‘package’ which was ‘greater than the award rate’.

(13) Has the Minister investigated the elements of this ‘package’ to ensure it does not contravene Australia’s industrial relations laws.

(14) Has the Minister or the department approved this ‘package’ payment and can he confirm the accuracy of the general-manager’s statement of its total value.

(15) Does the Minister agree with the general-manager of the Sydney Regent Hotel that this ‘package’ is equivalent to an Australian award wage.

(16) If approval has been granted, on what basis was the decision taken to approve the method of remuneration to foreign workers.

(17) Were any special conditions attached to the entry of housekeeper, cleaners, room attendants for the Sydney Regent Hotel, such as regular English language classes, and has the department monitored these conditions to ensure they are being adhered to.

Senator Ellison—The Minister for Immigration and Multicultural Affairs has provided the following answer to the honourable senator’s question:

(1) My Department undertakes targeted monitoring of the subclass 457 temporary resident visa program. This monitoring involves an examination (that may involve a site visit) of a sample of the 10,000 business sponsorships and over 30,000 visa applications approved each year. This is designed to increase the level of assurance that sponsorship undertakings and visa conditions are being complied with. All sponsorships are also re-examined if and when a sponsor seeks a renewal of their sponsorship as an important part of the monitoring strategy.

With regard to the matters raised about taxes, social welfare and national public health cover, my Department works closely with responsible agencies. For example, in the case of the Sydney Regent Hotel, my Department responded quickly to information received, met with Hotel management and referred the possible breach of industrial awards to the Department of Employment, Workplace Relations and Small Business (DEWRSB). In all such cases, where my Department becomes aware of possible breaches on industrial relations, OH&S, taxation or any other laws, these findings are referred to the relevant agencies for action.

(2) The employment of the 11 Executive Room Attendants was accepted as an intra-company transfer. Details were referred to DEWRSB and the Australian Taxation Office (ATO) for them to investigate possible breaches of industrial relations and tax laws.

(3) Under current temporary resident work visa rules, a sponsoring employer gives undertakings, which include:

- Accepting responsibility for obligations to the Commonwealth for sponsored persons, including:
  - Ensuring that the tax instalments are deducted from salary or wages and eligible termination payments, Fringe Benefits Tax
  - Making superannuation contributions, and
  - Paying debts owed to the Commonwealth as a result of a sponsored person and/or dependents receiving or using Commonwealth benefits or services to which they have no entitlement eg Medicare and social security benefits.

- Accepting financial responsibility directly or through acceptable medical insurance arrangements, for all medical and hospital costs incurred in Australia by sponsored persons and their dependants

- Complying with Australian industrial relations laws, Australian levels of remuneration and conditions of employment.

If an employer fails to meet their sponsorship undertakings, action can be taken against them ranging from a warning to formal cancellation of their sponsorship approval, which could lead to the cancellation of any associated temporary visas of employees. It could also lead to refusal of any future sponsorships that the employer may wish to lodge. My Department has now received advice from DEWRSB and on the basis of this advice has asked the Sydney Regent Hotel for reasons why their sponsorship approval should not be revoked.
Temporary residents are expected to pay tax in accordance with taxation legislation. Any evidence to suggest that temporary residents and their sponsors are engaged in tax evasion is referred to the ATO.

To be approved as a sponsor, the employer must demonstrate amongst other things that they are the direct employer of the temporary business entrants. For international businesses with a subsidiary in Australia, migration legislation allows for the subsidiary to be the "direct" employer for sponsorship purposes even though they may not be paying the salaries of the workers. This way the Australian branch of the company can be bound by the important obligations associated with becoming an approved business sponsor.

In its submission, when sponsoring the 11 Executive Room Attendants, the Sydney Regent Hotel stated that by transferring experienced Executive Room Attendant staff from their overseas operations, the transfer would result in the training and upskilling of the hotel’s junior staff. This would allow the hotel to employ junior staff that it would normally not elect to hire and provide employment and training opportunities to semi-skilled and unskilled Australians. This was to be a short-term arrangement that would also ensure the hotel maintained its international standing.

The matter of payments to the workers was referred to DEWRSB and ATO to investigate respectively whether breaches of industrial relations or taxation laws has occurred.

In investigating this matter DEWRSB examined the time and wage records of the 11 employees and determined that a breach of the Hospitality Industry Accommodation, Hotels, Resorts and Gaming Award 1998 had occurred. The Sydney Regent Hotel has now voluntarily rectified this breach by paying the workers the award rate.

Beyond accepting the Sydney Regent Hotel statement that a salary package in excess of the award would be paid, the Department of Immigration and Multicultural Affairs (DIMA) did not “approve” the package or the elements included in it.

DIMA did not “approve” the method of remuneration.

No.

Chefs Labour Agreement: Visas
(Question No. 3499)

Senator O’Brien asked the Minister representing the Minister for Immigration and Multicultural Affairs, upon notice, on 6 March 2001:

   a) how many visas for trade qualified chefs were allocated;
   b) what categories of trade qualified chefs were given visas to work in Australia;
   c) which hotels or hotel groups applied to bring in trade qualified chefs;

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(17)
(d) which hotels or hotel groups were granted permission to bring in trade qualified chefs;
(e) what period of time were these trade qualified chefs allowed to stay in Australia;
(f) how many times did the department receive applications to extend the visas of trade qualified chefs employed by hotels;
(g) what monitoring was put in place to ensure all conditions under the Chef’s Labour Agreement were met, including payments of taxes and compliance with industrial relations laws and standards, and
(h) were any hotels or hotel groups deemed to have broken any conditions of the agreement, if so, what penalties were imposed.

(2) If any hotels or hotel groups have breached any conditions of the agreement, in each case: (a) what was the nature of the breach; (b) when did the breach occur; and (c) what action was taken as a result of the breach.

**Senator Ellison**—The Minister for Immigration and Multicultural Affairs has provided the following answer to the honourable senator’s question:

(1) (a) Detailed records on expired labour agreements are not readily available further back than 1999 due to a change over to the new ICSE system. Labour agreements are classified as “commercial-in-confidence” documents. There is no single labour agreement covering the entry of all chefs to Australia. Departmental records show that since 1999 there have been eight labour agreements (two expired and six still operating) covering the entry of chefs. The agreements do not exclusively cover the entry of chefs but include chefs amongst a number of hospitality related occupations covered by each agreement. The agreements are valid for between two and four years and allowed for the entry of up to 800 chefs over the life of all the agreements. The labour agreements are consistent with the Department of Employment, Workplace Relations and Small Business (DEWRSB) assessment that Australia has a national shortage of chefs.

(b) The categories of chefs covered by the labour agreements include:
   - Head chefs
   - Executive chefs
   - Chef de cuisine
   - Sous chefs
   - Chef de partie
   - Commis chefs
   - Pastry chefs
   - Demi chefs, and
   - Specialist Asian chefs.

(c) It is not consistent with the “commercial-in-confidence” status of labour agreements to provide the names of the eight companies involved.

(d) All the individual hotels with labour agreements brought chefs to Australia. Chefs were also brought to Australia under the industry agreement, which covers 54 hotel members. Not all hotel members have brought chefs to Australia under this agreement.

(e) The period of stay permitted under the labour agreements ranged from two to four years. After this time it is possible to seek an extension of stay if the legislative criteria can be satisfied.

(f) Statistics are not maintained on the number of people who seek an extension of their visas. People who wish to stay longer make new applications that are considered under the criteria at that time. A sample of cases indicates that of the onshore applications, approximately 25 per cent of the visas for chefs were to people who previously held a subclass 457 visa.

(g) Every labour agreement has monitoring requirements designed to ensure employer commitments are met during the life of the agreement. A monitoring committee assesses the reports, which the employer or industry association must submit on a regular basis during the life of the agreement. The monitoring committee comprises a representative from the Department
of Immigration and Multicultural Affairs (DIMA) and DEWRSB. Monitoring reports focus heavily on ensuring employer commitments on recruiting and training Australians are being met. DEWRSB plays a key partnership role with DIMA in monitoring salary levels by ensuring salaries match award rates and conditions, and if required, checking individual employment contracts when doubts are raised or a complaint is made by an employee.

(h) No breaches of the chefs conditions as contained in the labour agreements have come to the Department’s notice.

Telstra: Gemini III

(Question No. 3527)

Senator Bourne asked the Minister for Communications, Information Technology and the Arts, upon notice, on 19 March 2001:

(1) Can the Minister confirm that a statement made in the Australian Jewish News on 17 November 2000 is correct: ‘Australian Telstra made its first venture capital investment in Israel investing an undisclosed amount in Gemini III, a $200 million venture capital fund’.

(2) What is the nature of this investment.

(3) What consideration was given to investing in Israel at a time of heightened security risk and increased action against Palestinians, including the destruction of essential infrastructure.

(4) What are the reasons Telstra invested this money in Israel as opposed to a more stable country or within Australia.

(5) Does the Government consider that this investment, and others like it, will have an impact on the Israeli commitment to finding a peaceful solution to its war with Palestine.

(6) What is the expected rate of return to the Australian community from this investment.

Senator Alston—The answer to the honourable senator’s question based on advice from Telstra is as follows:

(1) Yes. Telstra has invested in Gemini III in Israel.

(2) This is an equity investment, the details of which Telstra regards as commercial-in-confidence.

(3) Telstra chose to make this investment on the basis that it believes it will give it intense access to ideas and innovation, early exposure to negotiations regarding the IT industry, and a strong return on investment.

(4) Telstra considers it important to continue to extend its knowledge of hi-tech innovations occurring globally. Given that Israel is a very significant hi-tech development centre, second only to the Silicon Valley, it is important that Telstra has exposure to innovations occurring in that country. Gemini III is important in this regard.

(5) This matter is the responsibility of the Minister for Trade.

(6) Through the Government’s 50.1% ownership of Telstra, the community receives a rate of return from every Telstra investment. With regard to a rate of return for this investment, Telstra has already advised that this is an equity investment and the details are of a commercial-in-confidence nature.

Employment, Workplace Relations and Small Business Portfolio: Grants and Payments to Employers

(Question No. 3545)

Senator Carr asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 29 March 2001:

(a) What Commonwealth monies, under any program administered by the department, have been paid to the following companies during 1999 and 2000; and

(b) What liabilities does the Commonwealth have to any of these employers during 2001:

Ararat Abattoirs (Aust) P/L; Australian Meat Holdings; Barossa Fine Food; Bindaree Beef (Inverell); CMG, Rockhampton; Cargill Foods Australia; Cargill Meat Processors P/L; Cooma Abattoir; Essex Oaks P/L; Fine Meats P/L; Fletcher International, Dubbo and Mt Barker; Cowra Ab-
atior; Chapmans; Chisholms; Conroys (Pt Pirie and Adelaide); Frews, Stawell and Kyneton; Gateway Meat; AJ Green and Sons; Glenloth Meats; Gundagai Meat Processors; Hardwick Abattoir; Hurstbridge Abattoir; Lobethal Abattoir; Killarney Abattoir P/L; Mt Shank; G & K O’Connor; Penny and Lange; Q Meat; Ryans Quality Meats; Southern Meats (Goulbourn and Harden); SBA Foods; Tatiara Meats; and Teyes Brothers.

Senator Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:

(a) The Department of Employment, Workplace Relations and Small Business has made the following payments to the companies listed above from 1 January 1999 to 8 May 2001.

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Paid to date under STEP</th>
<th>Paid to date under WA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Meat Holdings</td>
<td>$516,275.00</td>
<td>Nil</td>
</tr>
<tr>
<td>Bindaree Beef (Inverell)</td>
<td>$323,000.00</td>
<td>Nil</td>
</tr>
<tr>
<td>Bindaree Beef (Orange)</td>
<td>Nil</td>
<td>$19,135.00</td>
</tr>
<tr>
<td>Fletcher International (Dubbo and Mt Barker)</td>
<td>Nil</td>
<td>$91,633.83</td>
</tr>
<tr>
<td>Fletcher International Exports Pty Ltd</td>
<td>$139,812.00</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Funding for Structured Training and Employment Projects (STEP) provides flexible financial assistance for projects, which offer structured training and employment for 5 or more indigenous job seekers. Projects funded must lead to lasting job opportunities.

Wage Assistance aims to help indigenous job seekers find long-term jobs, either through Job Network, or their own efforts, using a wage subsidy eligibility card. Employers who employ eligible job seekers receive up to $4,400 over 26 weeks for ongoing full-time work and $2,200 for ongoing part-time work exceeding 20 hours per week. Eligible job seekers are provided with a Wage Assistance card by Centrelink.

STEP and Wage Assistance are two elements of the Government’s Indigenous Employment Policy, which was announced in the 1999-2000 Commonwealth Budget with a view to generating more employment opportunities for indigenous Australians. The policy was progressively implemented from 1 July 1999 and includes a comprehensive package of strategies incorporating a new Indigenous Employment Program, support for small business development, and refinements to Job Network services for indigenous Australians.

(b) The Department of Employment, Workplace Relations and Small Business expects to have the following liabilities to the companies listed above (as at 8 May 2001) for the period 9 May 2001 to 31 December 2001.

<table>
<thead>
<tr>
<th>Company Name</th>
<th>STEP - expected liability for 2001</th>
<th>Wage Assistance - expected liability for 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Meat Holdings</td>
<td>$1,465,475.00</td>
<td>Nil</td>
</tr>
<tr>
<td>Bindaree Beef (Inverell)</td>
<td>$884,000.00</td>
<td>Nil</td>
</tr>
<tr>
<td>Bindaree Beef (Orange)</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Fletcher International (Dubbo and Mt Barker)</td>
<td>Nil</td>
<td>Approximately $2,200.00</td>
</tr>
<tr>
<td>Fletcher International Exports Pty Ltd</td>
<td>$255,188.00</td>
<td>Nil</td>
</tr>
</tbody>
</table>

By ‘expected liabilities’ is meant the maximum liability of the Department to the particular company. Payments are based on outcomes. Therefore, if indigenous job seekers funded through Wage Assistance or STEP do not complete training, or are not retained in employment for a certain period of time, payments are not due.

Australian Workplace Agreements

(Question No. 3552)

Senator Faulkner asked the Minister representing the Minister Assisting the Prime Minister for the Public Service, upon notice, on 30 March 2001.
(1) Has the Minister instigated any Public Service-wide study of the effects of Australian Workplace Agreements (AWAs) in the Australian Public Service; if so (a) what have been the main findings of that study; and (b) can a copy of it be made public.

(2) If such a study has not been undertaken, why not.

(3) What are the estimated costs of implementing AWAs in the Public Service.

(4) To what extent have staff on AWAs been given a choice between having their remuneration adjusted via those AWAs or certified agreements.

(5) What evidence does the Minister draw upon to assert in his press release of 26 March 2001 that AWAs have ‘greatly assisted in retaining key staff’.

Senator Ellison—The Minister Assisting the Prime Minister for the Public Service has provided the following answer to the honourable senator’s question:

(1) and (2) In 1999, the Department of Employment, Workplace Relations and Small Business (DEWRSB) commissioned a review of agreement making in the Australian Public Service (APS) [the Review] to identify the experiences, trends and emerging issues facing APS agencies regarding agreement making.

The Review included an examination of the extent to which Australian Workplace Agreements (AWAs) had been implemented across the APS, including the reasons agencies had chosen to utilise AWAs, the features of AWAs and agencies’ future intentions with regard to AWAs. Against the background that it is the Government’s expectation that, given the level of their duties, Senior Executive Service (SES) staff should be covered by AWAs, the Review found that respondents most frequently stated reasons for introducing AWAs at the SES level were flexibility in conditions (25%) and wages (19%). This flexibility was also reinforced through respondents citing ‘address individual needs’ as a reason for utilising AWAs. Some respondents used AWAs to achieve employment conditions that were principles based, rather than set out in a prescriptive statement of entitlements.

Key features in AWAs included performance pay (35%), flexibility in salary packaging (22%), simplified allowances (20%) and performance assessment (17%). The Review found that the flexibility in wages and conditions provided through AWAs was seen as having an impact towards achieving staff retention objectives, especially where AWAs were introduced at levels below the SES.

Copies of the Review’s interim and final reports are available from DEWRSB or the Senate Table Office.

A further survey of APS agreement making, which will again cover the use of AWAs, will be conducted in mid-2001.

In addition, DEWRSB currently coordinates an annual survey of SES remuneration in APS agencies, the outcomes of which are published on the DEWRSB internet home page. This survey also provides information about the effect of AWAs.

(3) The exact cost of agreement making, including AWAs, in the APS is difficult to assess and would vary from agency to agency. However, in most agencies the key cost is likely to be staffing costs associated with the development of agreements, including consultations with staff and their representatives.

(4) Government policy is that the terms and conditions of APS employees should be established through formal agreements at the agency level under the Workplace Relations Act 1996 (the WR Act). The Government’s workplace relations policy for the APS does not discriminate in favour of one form of agreement over another. It is a matter of choice for agencies and APS employees – they can access the various agreement making options available under the WR Act, including certified agreements, made with unions or directly with employees, and AWAs. However, the Government expects that, given the level of their duties, SES staff should be covered by AWAs and excluded from certified agreements. Should an APS senior executive choose not to take up the offer of an AWA, his or her terms and conditions of employment are as per the Australian Public Service Award 1998 and the Continuous Improvement in the APS Enterprise Agreement 1995-96.
This approach is consistent with the intent of the WR Act, which supports fair and effective agreement making, and provides a range of provisions that provide protection for employees. The legislation contains provisions to prevent coercion and duress in agreement making. Further protections include the requirements that the effect of the agreement has to be explained to the employee and there must be genuine consent. Employees can appoint a bargaining agent, which may include a union or a group of individuals, to negotiate an AWA on their behalf. AWAs are required to meet a no-disadvantage test.

(5) The Review, as noted above, cited a number of reasons for agencies utilising AWAs, including retaining staff, achieving greater wage and conditions flexibility and addressing individual needs. Some 20% of agencies cited the retention of staff as the key reason for introducing AWAs for non-SES staff, with 79% of these agencies stating that their objectives in terms of retaining staff had been met through the introduction of AWAs. Further, the Review’s final report highlights a number of instances where agencies had used AWAs in an effort to retain key staff.

Regional Solutions Programs: Services and Funding
(Question No. 3556)

Senator Mackay asked the Minister for Regional Services, Territories and Local Government, upon notice, on 2 April 2001:

(1) Can details be provided, including: (a) the funding amount; (b) the nature of the program; and (c) the reasons for the selection of each of these projects, for the following three Regional Solutions Programs:
   
   (i) Delivery of TradeStart services in Alice Springs, Northern Territory;
   
   (ii) TradeStart officer for the Gascoyne Junction, Western Australia region; and
   
   (iii) the Austrade program centre in Kununurra, Western Australia for the Kimberley Development Commission.

(2) Can the Minister explain: (a) the role of the department in providing Austrade services to these areas; and (b) why the funding for these programs has come from the Department of Transport and Regional Services and not the Department of Foreign Affairs and Trade.

(3) What was the nature and level of communication and liaison between Austrade and the department over the allocation of funding to these projects.

(4) Did Austrade recommend and/or provide any details of these projects to the department.

Senator Ian Macdonald—The answer to the honourable senator’s question is as follows:

(1) (a) The contributions from the Regional Solutions Programme only to these three projects respectively are: $63,509; $66,000; and $66,000.

   (b) The three projects involve establishing TradeStart offices in those locations, in conjunction with Austrade.

   (c) The three projects were selected to meet local community needs, which were identified through the Northern Australia Forum process, and are consistent with market research conducted by Austrade.

(2) (a) The Department of Transport and Regional Services is not providing Austrade services. The Department administers the Regional Solutions Programme, which offers a high level of flexibility in meeting the needs of regions and communities. This includes a capacity to fill gaps from other programmes, through which it has provided support with Austrade to establish the TradeStart services.

   (b) The projects are jointly supported by Austrade and Transport and Regional Services as a collaborative response to an identified need.

(3) Collaborative funding arrangements for the TradeStart services were extensively discussed with Austrade through the Commonwealth Working Group for Regional Forums and through the projects’ assessment process.
(4) Yes.

Regional Solutions Program: Funding
(Question No. 3557)

Senator Mackay asked the Minister for Regional Services, Territories and Local Government, upon notice on 2 April 2001, with reference to the Regional Solutions Program:

(1) How many applications for funding of projects have been submitted and received from each state and from each federal electorate since the program began.

(2) What is the nature and description of each project which has applied for funding since the program began.

(3) What was the amount of funding applied for, for each project which has been received by the department since the program began.

(4) How many projects have been submitted to the assessment committee since the program began.

(5) What is the nature and description of each project submitted to the assessment committee since the program began.

(6) Of the projects submitted to the assessment committee, can a list be provided of projects from each state and each federal electorate submitted since the program began.

(7) What is the amount of funding applied for, for each project submitted to the assessment committee since the program began.

(8) How many projects have been submitted to the Minister for approval, comment or any consideration since the program began.

(9) Of the projects submitted to the Minister for any purpose, can a list be provided of projects from each state and each federal electorate that were submitted since the program began.

Senator Ian Macdonald—The answers to the honourable senator’s question are:

(1) Details as at the 30 March 2001 have been provided to the Table Office as Attachment A

(2) and (3) Details as at the 30 March 2001 have been provided to the Table Office as Attachment B

(4) 173 as at the 30 March 2001

(5) to (7) Details as at the 30 March 2001 have been provided to the Table Office as Attachment C

(8) 156

(9) Details as at 30 March 2001 have been provided to the Table Office as attachment D.