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SITTING DAYS—2001

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RADIO BROADCASTS

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

- **CANBERRA**: 1440 AM
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- **BRISBANE**: 936 AM
- **MELBOURNE**: 1026 AM
- **ADELAIDE**: 972 AM
- **PERTH**: 585 AM
- **HOBART**: 729 AM
- **DARWIN**: 102.5 FM
The PRESIDENT (Senator the Hon. Margaret Reid) took the chair at 9.30 a.m., and read prayers.

NOTICES

Presentation

Senator Murray to move, on the next day of sitting:
That the Senate calls on the Government to put in place legislative provisions and administration procedures with immediate effect to require all retired Members of Parliament to be subject to the same reporting and accountability processes with respect to their parliamentary entitlements as serving members of Parliament.

Senator Allison to move, on the next day of sitting:
That the Environment, Communications, Information Technology and the Arts References Committee be authorised to hold a public meeting during the sitting of the Senate on 20 August 2001, from 6 p.m., to take evidence for the committee’s inquiry into the methods of appointment to the Australian Broadcasting Corporation’s board.

Senator Tierney to move, on the next day of sitting:
That the Senate—
(a) notes the futile approach to gambling reforms announced recently by the New South Wales Government, in a state where the number of poker machines has increased by more than 60 per cent since 1995 when the Carr Labor government was elected;
(b) further notes that one of the key planks of these reforms is a cap on poker machine numbers at 104,000;
(c) condemns this ridiculously high cap on poker machine numbers at around existing levels in the State, which will not reduce gambling opportunities or the levels of revenue generated from gambling taxes;
(d) criticises these reforms, which can only be described as a public relations exercise, particularly when figures from the New South Wales Treasury have already predicted that the revenue generated from clubs and hotels will increase from $748 million in the 2001-02 financial year to $907 million in the 2004-05 financial year; and
(e) calls on the New South Wales Labor Party to get serious about reforms aimed at reducing the number of problem gamblers, by reducing the number of poker machines and the accessibility of various forms of gambling.

BUSINESS

Government Business

Motion (by Senator Ian Campbell) agreed to:
That government business order of the day No. 3 (Trade Marks and Other Legislation Amendment Bill 2001) be considered from 12.45 p.m. till not later than 2.00 p.m. this day.

General Business

Motion (by Senator Ian Campbell) agreed to:
That the order of general business for consideration today be as follows:
(1) general business order of the day No. 87 (Job Network Monitoring Authority Bill 2000 [No. 2]); and
(2) consideration of government documents.

COMMITTEES

Intelligence Services Committee

Meeting

Motion (by Senator Ian Campbell, at the request of Senator Calvert)—by leave—agreed to:
That the Joint Select Committee on the Intelligence Services be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate today from 11 a.m.

NOTICES

Postponement

Motion (by Senator Brown)—by leave—agreed to:
That general business notice of motion no. 979 standing in his name for today, relating to the establishment of an international war crimes tribunal, be postponed till 21 August 2001.

An item of business was postponed as follows:
General business notice of motion no. 969 standing in the name of the Leader of the Australian Democrats (Senator Stott Despoja) for today, relating to the intro-

COMMITTEES

Impacts of the New Tax System Committee

Establishment

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (9.33 a.m.)—I move:

Establishment of a select committee

(1) That a select committee, to be known as the Select Committee on the Impacts of the New Tax System be established to inquire into and report, by 31 December 2001, on the social and economic impacts of the new tax system (NTS) and, in particular, the introduction of the goods and services tax (GST), with reference to the claims, estimates and projections that underpinned the Government’s proposals for the NTS, particularly those contained in Tax reform: not a new tax, a new tax system.

Matters to be explored by the committee

(2) That, in conducting its inquiry, the committee examine the following matters:

(a) the effects of the introduction of the GST (and associated compensation package) on disposable income and household spending power for a range of income groups;
(b) the effectiveness of the NTS in easing the poverty traps facing people on low incomes, and in reforming and streamlining tax and income support for families with children;
(c) the effects of the NTS on tax avoidance and evasion, including an examination of the effects on the cash economy;
(d) the effects of the NTS on small business;
(e) the effects of the NTS on taxation compliance costs;
(f) the effects of the NTS on the non-profit sector, including the total amounts of money contributed by the sector, administrative costs, impacts on the viability of the organisations, and the consequent effects on the well-being of the community;
(g) the effects of the NTS on:
   (i) national Gross Domestic Product,
   (ii) national export performance and national debt,
   (iii) the national Consumer Price Index, and
   (iv) the distribution of wealth in the Australian community;
(h) the levels of revenue generated or foregone due to the NTS and subsequent related policy announcements by the Government;
(i) the effects of the NTS on future federal budget revenues, expenditures and surpluses; and
(j) options for amending the legislation which underpins the NTS to improve its fairness, simplicity or efficiency.

Composition of the committee

(3) That the committee consist of 7 senators, 3 nominated by the Leader of the Government in the Senate, 3 nominated by the Leader of the Opposition in the Senate, and 1 nominated by the Leader of the Australian Democrats.

(4) That the committee may proceed to the dispatch of business notwithstanding that not all members have been duly nominated and appointed and notwithstanding any vacancy.

(5) That:

(a) senators may be appointed to the committee as substitutes for members of the committee in respect of particular matters before the committee;
(b) on the nominations of the Australian Greens or independent senators, participating members may be appointed to the committee; and
(c) participating members may participate in hearings of evidence and deliberations of the committee, and have all the rights of members of the committee, but may not vote on any questions before the committee.

(6) That the committee shall elect as its chair a member nominated by the Leader of the Opposition in the Senate.

(7) That the committee shall elect as its deputy chair, immediately after the election of the chair, a member
nominated by the Leader of the Government in the Senate.

(8) That the deputy chair act as chair when there is no chair or the chair is not present at a meeting.

**Powers and administration of the committee**

(9) That the committee have power to send for and examine persons and documents, to move from place to place, to sit in public or in private, notwithstanding any prorogation of the Parliament or dissolution of the House of Representatives, and have leave to report from time to time its proceedings and the evidence taken and such interim recommendations as it may deem fit.

(10) That the quorum of the committee shall be a majority of the members of the committee.

(11) That the committee set 7 September 2001 as the date for receipt of submissions, but that the committee be empowered to receive and consider submissions at any later time.

(12) That the committee hold hearings in each state and territory as required.

(13) That the committee be provided with all necessary staff, facilities and resources and be empowered to appoint persons with specialist knowledge for the purposes of the committee with the approval of the President.

(14) That the committee be empowered to print from day to day such documents and evidence as may be ordered by it and a daily Hansard be published of such proceedings as take place in public.

I seek leave to make a statement on this motion.

Leave granted.

**Senator COOK**—I think this is an important motion and one that the chamber should strongly support. This is the Senate, we are a house of review, and among our other responsibilities is to review legislation that the House of Representatives carries. The standout piece of legislation that the House of Representatives carried and which we modified in the current term of government was of course the GST legislation since the GST came into effect on 1 July last year. That is an appropriate duty for a house of review. It is also an appropriate thing, since we are heading into an election later this year, that the government’s promises as to what tax reform would deliver to the Australian economy and how it would allegedly benefit Australian taxpayers are held to account.

It is something that the government should welcome. The government made very strong promises about the impact on the Australian economy of the GST. If the government believes those promises it made, it should welcome scrutiny by a Senate select committee to see whether those promises that have been so strongly made have in fact been delivered. If this motion were carried, a process could be undertaken in which the government would have a chance to demonstrate through an inquiry that its very brave promises on the GST have in fact been delivered to the Australian community.

It is a motion that the Australian Democrats should support. The Australian Democrats have lived on the slogan ‘keep the bastards honest’. That is surely a slogan aimed at keeping the major political parties in Australia to account for what they say and do and whether or not they live by their words. The Australian Democrats of course are a party that supported the passage, in modified terms, of the GST, because they believed, if we go back to their speeches, that that would have an effect of improving the GST. Once again, they should welcome this inquiry—if we can carry this motion—because that would prove whether or not they were right or wrong. But most importantly the Australian people should welcome this inquiry because coming up to an election it is very important to test the credibility of electoral promises. There is nothing more important than the GST, because it has dominated Australian political debate for the last decade or more and it is an area in which all of us have participated in debate.

There are in my view a number of quite significant promises that have been made that ought to be tested. Before the last election the Prime Minister, Mr John Howard, and the Treasurer, Mr Peter Costello, promised that all Australians would be better off
under the GST. Both of them have repeated that promise since the election and in respect of the legislation that has been carried. For example, the Prime Minister said in the House of Representatives on 10 April last year:

But the great bulk of people are going to be significantly better off. Australians all will be better off...

Recent opinion polls show that after a year’s experience of the GST the great majority of Australians consider that they are not better off. Who is right? The purpose of this legislation is to perform a beneficial act for the community, and it appears from those surveys that the community does not believe that a beneficial act has been performed. If that is the case, then perhaps the GST should be reversed or rolled back or changed in some way. That promise that we will all be better off is something that an inquiry could look at.

The promise that all older Australians will get a $1,000 savings bonus is a matter of some contention. That is a significant promise. I do not believe that has been delivered, but an inquiry could examine that matter. The government in its pre-election documents promised that pensioners would get a four per cent pension rise. It is true that the age pension went up on 1 July 2000 by four per cent, or about $7.25 for single pensioners and around $6 a week for each member of a pensioner couple, but in March of this year, when the pension was to be automatically adjusted for inflation, half of the four per cent pension increase was clawed back. Has that promise been kept?

We have seen the promise that the GST will be good for the economy come under a staggering level of attention. That is a promise that should be checked. There are at least two others. There is the promise that the GST would be a simple tax. We all know what small business think about the BAS compliance burden that they have to deal with, of the attempts by the government to change that and of the still continuing protest that it is as complex as before. And there is the promise that the GST will not increase the price of petrol.

There are six areas—and I conclude on this point—on which there ought to be some accountability. If the Senate do not conduct an accountability audit of political promises—if we allow political promises to be made, to be implemented and then not pay attention to see whether in fact they have been delivered—I believe we are failing in our duty to ordinary Australians. This would be an important inquiry, and I do hope this motion can be carried.

Senator MURRAY (Western Australia) (9.40 a.m.)—by leave—The Democrats are of one mind with the Labor Party about the need for an inquiry into our total tax system. However, senators who were involved in the debate about the new tax system would remember that we originally forecast that the time for full inquiry has to be about three years after the establishment of the new tax system, because of the need for the transition period to have passed and for the full effects to have been understood. We have subsequently brought forward our view of that inquiry need and there is on the Notice Paper notice No. 974, in which we have determined the inquiry we would like, which is far more wide ranging than the one suggested by the Labor Party. It concerns the new tax system, including the GST; any proposals for modifications to the GST; the business tax measures recommended by the Ralph review, including measures which have and have not been implemented; the estimated additional revenue required to provide government services and programs demanded by the Australian community; and possible sources of revenue.

However, we have long believed that it is only possible to determine the full information, the full statistical evidence and the full anecdotal evidence necessary to make that inquiry meaningful once the new tax system is bedded in and the full reports come in, and they will come in much later this year. It is for that reason we will propose a later starting date and a more extensive inquiry. I will indicate that we therefore do not propose to support Senator Cook’s motion in terms of both the range of his proposals and the timing but do support the intent.
Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (9.42 a.m.)—by leave—Senator Cook has invited us to support a motion for the establishment of an inquiry into various aspects of the tax system. It is quite clear from both the terms of the motion that he is asking us to support and his comments that it is nothing but a very thinly disguised political stunt. Senator Cook made it quite clear in his words that we are leading up to an election and it is time that we had a Senate select committee inquiry into taxation. He made the point that we should look at some of the ramifications of the introduction of the new tax system and in one of his comments he referred to what it has done to the Australian economy. If Senator Cook could be bothered, he could get a copy of the OECD report that has been released in the last few hours and get expert evidence as to just what the government’s reforms have done to the Australian economy in terms of just how successful the government’s reform agendas have been in ensuring that Australia’s economy is—as you, Madam Deputy President, and all Australians know—arguably the most robust and most successful economy, as we speak, in the Western world and therefore in the entire world.

Senator Cook—that’s not true.

Senator Carr—that is a complete fantasy.

Senator Cook—What about the universe?

Senator IAN CAMPBELL—The Labor Party opposite are the people whose so-called leader came out and said that the tax system had mugged the Australian economy. If the economy has been mugged in the way that the Australian economy is alleged to have been mugged by that economic illiterate who purports to lead the rabble on the other side, it is the sort of mugging you would want every day.

The DEPUTY PRESIDENT—Senator Campbell, I would ask you to watch your language, please, and do not reflect on other members in this place or in the other place.

Senator IAN CAMPBELL—I will take your caution, Madam Deputy President, but he is the leader of a political party that is all over the place on tax policy and all over the place on economic policy. He has got no idea what roll-back is—every time you ask what roll-back means or ask him to define his economic policy, he rolls all over the place. Look at the record of Mr Beazley when he was in government last time in the finance portfolio—he ran up record multibillion dollar deficits year after year, leaving government debt at $96 billion. To call that sort of person who seeks to lead Australia anything other than economically illiterate and incompetent is certainly not unparliamentary language. It is, in fact, an accurate description of that gentleman’s economic credentials.

The DEPUTY PRESIDENT—Senator Campbell!

Opposition members interjecting—

The DEPUTY PRESIDENT—Order!

Senator IAN CAMPBELL—The people of Australia will be able to make a judgment without the assistance of Senator Cook’s cooked-up select committee, which is a political stunt. The people of Australia who received the tax cuts know in their own hearts and minds and in their own back pockets that their take-home pay has increased as a result of the policies, particularly the taxation policies, of this government. They do not need the assistance of Senator Cook’s cooked-up select committee to tell them that. They do not need a cooked-up select committee to tell them that when the tax changes came in they were compensated generously for the changes to the taxation regime. For the first time in this nation, under a coalition government that actually cares for them and wants to ensure that their incomes are protected, a scheme was put in place that ensured that those men and women who rely on the pension and other welfare benefits and other income support from the Commonwealth actually got their compensation paid up-front ahead of the increases in costs, as opposed to what they know happened in 1993, when the previous Labor government, including Mr Beazley, the now so-called Leader of the Opposition, after
campaigning across the length and breadth of this nation, introduced—

Senator Cook—He is the Leader of the Opposition, idiot.

Senator Crowley—He is the Leader of the Opposition, you drongo.

The DEPUTY PRESIDENT—Order!

Senator IAN CAMPBELL—It is a euphemism when you apply the word ‘leader’ to Mr Beazley and that is why I say the ‘so-called Leader of the Opposition’. He, along with the former failed and disgraced Treasurer and Prime Minister of this country, Mr Keating, campaigned across this nation saying that there should be no indirect tax increases, but on the day they came back into power in 1993 slammed the biggest increases in indirect taxes on Australia—they increased the tax on fuel and increased a whole range of wholesale sales taxes which affect pensioners. And what did they do to compensate the pensioners? Absolutely nothing—they put the cost of living up and gave them no compensation. We gave them compensation up-front. The pensioners of Australia have not forgotten 1993.

Furthermore, people who sought to buy housing have not forgotten what it did to their hopes and aspirations; they have not forgotten that when Mr Beazley was running the finances of this country and sitting around the cabinet table Labor’s loopy economic policies drove up home loan interest rates to 17 per cent and bill rates to over 30 per cent. Businesses in this nation were paying, in some cases, over 32 per cent for money that they were using for capital and development.

Senator Cook—This is nonsense.

Senator IAN CAMPBELL—Thirty-two per cent is nonsense, is it, Senator Cook?

Senator Cook—No, your speech is nonsense.

Senator IAN CAMPBELL—It must hurt, Senator Cook, to have been a minister in a cabinet that drove home loan interest rates up to 17 per cent. The people of Australia should never forget what Labor did to taxation in this country. Those opposite talk about the business activity statement and the GST. Small business people have never forgotten the promise that they would never bring in a capital gains tax. They have not forgotten that the previous Labor government said, ‘No capital gains tax,’ and then introduced one. They have not forgotten the fringe benefits tax. They have not forgotten all of the taxation increases under Labor, driving taxes up to nearly 26 per cent of GDP, the highest level that taxation has ever touched in this country. This government is proud to have reduced government spending as a proportion of GDP and significantly reduced taxation as a proportion of GDP so the mothers and the fathers and the pensioners of Australia are able to keep more of their hard-earned cash in their back pockets.

Madam Deputy President, the coalition will not be part of a cheap political stunt by Senator Cook, whose credentials on taxation are, of course, legion. Senator Cook and Senator Conroy—and now with Mr Beazley’s support—have come out and said that they think that the solution for Australia is to increase tax and, in Mr Beazley’s case, to increase income taxes. We know where they stand and the people of Australia know where we stand: we stand for lower income taxes, we stand for a fairer tax system and we stand for a nation where the people get to keep their hard-earned cash and do not have it ripped out of their back pockets by the spendthrifts on the other side.

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

The Senate divided. [9.55 a.m.]

(The Deputy President—Senator S.M. West)

Ayes.......... 28
Noes.......... 40
Majority....... 12

AYES
Bishop, T.M.  Bolkus, N.
Brown, B.J.  Campbell, G.
Carr, K.J.  Collins, J.M.A.
Conroy, S.M.  Cook, P.F.S.
Cooney, B.C.  Crossin, P.M.
Crowley, R.A.  Dennan, K.J.
Forshaw, M.G.  Gibbs, B.
Thursday, 9 August 2001

SENATE

Harradine, B. Harris, L.
Hogg, J.J. Hutchins, S.P.
Ludwig, J.W. Lundy, K.A.
McKiernan, J.P. McLucas, J.E.
Murphy, S.M. O’Brien, K.W.K. *
Ray, R.F. Schacht, C.C.
Sherry, N.J. West, S.M.

NOES

Abetz, E. Allison, L.F.
Boswell, R.L.D. Bourne, V.W.
Brandis, G.H. Calvert, P.H. *
Campbell, I.G. Chapman, H.G.P.
Cherry, J.C. Coonan, H.L.
Crane, A.W. Eggleston, A.
Ferguson, A.B. Ferris, J.M.
Gibson, B.F. Greig, B.
Herron, J.J. Hill, R.M.
Kemp, C.R. Knowles, S.C.
Lees, M.H. Lightfoot, P.R.
Macdonald, I. Macdonald, J.A.L.
Mason, B.J. McGauran, J.J.J.
Minchin, N.H. Murray, A.J.M.
Newman, J.M. Patterson, K.C.
Payne, M.A. Ridgeway, A.D.
Stott Despoja, N. Tambling, G.E.
Tchen, T. Tierney, J.W.
Troeth, J.M. Vanstone, A.E.

PAIRS

Buckland, G. Reid, M.E.
Evans, C.V. Heffernan, W.
Faulkner, J.P. Ellison, C.M.
Mackay, S.M. Watson, J.O.W.

* denotes teller

Question so resolved in the negative.

ECONOMICS REFERENCES COMMITTEE

Meeting

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

That the Economics References Committee be authorised to hold public meetings during the sittings of the Senate on 21 August 2001, from 3.30 pm, and on 23 August 2001, from 3.30 pm, to take evidence for the committee’s inquiry into mass marketed tax effective schemes and investor protection.

FORESTS

Motion (by Senator Brown) put:

That the Senate considers that, wherever there is an existing plantation alternative, old-growth forests and high conservation forests should not be logged.

AYES

Allison, L.F. Alston, R.K.R.
Bartlett, A.J.J. Bourne, V.W.
Brown, B.J. Calvert, P.H. *
Campbell, I.G. Chapman, H.G.P.
Cherry, J.C. Coonan, H.L.
Crane, A.W. Eggleston, A.
Ferguson, A.B. Ferris, J.M.
Gibson, B.F. Greig, B.
Harris, L. Herron, J.J.
Hill, R.M. Kemp, C.R.
Knowles, S.C. Lees, M.H.
Lightfoot, P.R. Macdonald, I.
Macdonald, J.A.L. Mason, B.J.
McGauran, J.J.J. Minchin, N.H.
Murray, A.J.M. Newman, J.M.
Patterson, K.C. Payne, M.A.
Tambling, G.E. Stott Despoja, N.
Tierney, J.W. Troeth, J.M.
Vanstone, A.E.

NOES

Bishop, T.M. Bolkus, N.
Campbell, G. Carr, K.J.
Collins, J.M.A. Conroy, S.M.
Cook, P.F.S. Cooney, B.C.
Crossin, P.M. Crowley, R.A.
Denman, K.J. Forshaw, M.G.
Gibbs, B. Hogg, J.J.
Hutchins, S.P. Ludwig, J.W.
Lundy, K.A. McKiernan, J.P.
McLucas, J.E. Murphy, S.M.
Schacht, C.C. Sherry, N.J.
West, S.M.

PAIRS

Ellison, C.M. Faulkner, J.P.
Heffernan, W. Evans, C.V.
Reid, M.E. Buckland, G.
Watson, J.O.W. Mackay, S.M.

* denotes teller

Question so resolved in the affirmative.
INTERNATIONAL DAY OF THE WORLD’S INDIGENOUS PEOPLES
Motion (by Senator Ridgeway) agreed to:
That the Senate—
(a) notes that:
(i) 9 August 2001 is International Day of the World’s Indigenous Peoples, and
(ii) in commemoration of the United Nations (UN) Year of Dialogue Among Civilisations, the UN has acknowledged 12 individuals from around the world whose efforts to close the cultural divide between races has been outstanding and inspiring;
(b) congratulates Mr Jack Beetson, an Australian Indigenous educator and long-time advocate of rights for Indigenous Peoples, on being selected as one of the 12 recipients of the UN ‘Unsung Hero’ Award for 2001; and
(c) acknowledges that Mr Beetson has devoted his life to creating bridges of understanding between Indigenous and non-Indigenous Australians, and has played a prominent role in achieving self-determination in education for Indigenous Australians, particularly through his work at Tranby Co-operative for Aborigines in Sydney.

JAPANESE FISHING BOATS:
SOUTHERN BLUEFIN TUNA
Motion (by Senator Greig) agreed to:
That there be laid on the table by the Minister representing the Ministers for Foreign Affairs and Trade, no later than immediately after motions to take note of answers to questions without notice on 30 August 2001, the following documents:
Copies of an ‘Arrangement in relation to the Rock Lobster Fishery between the Commonwealth of Australia and South Australia’ and a further ‘Arrangement between the Commonwealth of Australia and South Australia in relation to the Rock Lobster Fishery’, notified in the Gazette No. S406 of 21 December 1988, both of which were expressed to have been made under the Fisheries Act 1952 (Cth) and the Fisheries Act 1982 (SA).

OZONE DEPLETING GASES
Motion (by Senator Brown) agreed to:
That the Senate—
(a) applauds the policies of Denmark, Britain and several other Northern European countries to:
(i) accelerate the phase-out of ozone-depleting hydrochloro-fluorocarbons,
(ii) recognise that hydrofluorocarbons, which are potent industrial greenhouse gases, are only short-term transitional substances which should be avoided wherever practicable, and
(iii) put regulatory mechanisms in place to implement the application of natural refrigerants throughout the refrigeration and air conditioning industries; and
(b) calls upon the Australian Government to increase its efforts to encourage industry to reduce the environmental impact of refrigeration and air conditioning systems in line with the examples set by European governments.

CAPITAL GRANTS TO GOVERNMENT SCHOOLS
Motion (by Senator Allison) agreed to:
That the Senate—
(a) notes:
(i) the Budgewoi Public School Council’s concern with the poor condition of the school’s facilities, and
(ii) that the New South Wales Department of Education has provided an additional $600 000 for the
construction of new classrooms, but that will provide for only four new classrooms; and

(b) calls on the Federal Government to increase the amount of capital grants to government schools for new buildings and maintenance works.

Notice amended by Madam President pursuant to standing order 76.

BUDGET 2000-01

Consideration by Environment, Communications, Information Technology and the Arts Legislation Committee

Response by Mr R. Beale

Senator EGGLESTON (Western Australia) (10.10 a.m.)—by leave—I rise to make a short statement about the Environment, Communications, Information Technology and the Arts Legislation Committee’s budget estimates hearings of 4 and 5 June 2001.

The committee received correspondence from the Secretary to the Department of the Environment and Heritage, Mr Roger Beale AM, dated 24 July 2001, concerning remarks directed to him by Senator Bolkus during the budget estimates of 4 and 5 June 2001. In accordance with the Senate’s privilege resolution No. 1, paragraph (13), which provides that the committee must give reasonable opportunity for any person about whom adverse reflections are made in evidence to respond, I seek leave to incorporate Mr Beale’s response in the Hansard.

Senator O’Brien—we haven’t seen it but we are happy to advise you.

Senator EGGLESTON—it was seen by Senator Bolkus yesterday in the ECITA committee meeting.

Senator O’Brien—we are happy to accept the word of Senator Eggleston that it has been approved.

Leave granted.

The response read as follows—

Response by Mr Roger Beale AM to remarks made in Senate committee proceedings

In the Senate Legislation Committee on Monday 4 June, Senator Bolkus directed the following remark to me “HIH and Rodney Adler would be very proud of this sort of budgeting, wouldn’t they”. On Tuesday 5 June Senator Bolkus further stated “As I said yesterday, Mr Beale, you would get a job with HIH...” and “I think that the administration of this trust has been shonky” and “I think the secretary’s continued capacity to try to mislead on this is also offensive”. He further said in relation to an answer given on 8 May to a question taken on 21 February in relation to the allocation (of funds) from the Natural Heritage Trust. “That money was not available for spending, you know that. The decision was taken before the answer was given but the answer was misleading.”

I understand that Mr Adler was a director of HIH and OneTel, and further that HIH and OneTel have been placed into receivership. At the time Senator Bolkus made these remarks it was being reported that huge losses of shareholders and creditors funds might have been incurred. The question of whether the Directors or officers of these corporations had committed offences under the Corporations Act was a matter of public comment and controversy. It was also a matter of public notoriety that the Directors and officers of these corporations had received very large payments, and possessed great wealth, at a time when employees, shareholders and creditors appeared likely to suffer substantial losses.

The pointed association of my performance in the management of the Natural Heritage Trust and in evidence to the Senate with these companies, their directors and officers seemed designed to convey an impression that I have been involved in massive financial failure, possible breaches of the law and a failure of standards of personal integrity. The suggestion that the administration of the Trust by the Department was “shonky” adds to this impression. The ordinary dictionary meaning of “shonky” is “unreliable, dishonest”. This is further emphasised by the suggestion that I had tried to mislead the Committee.

This is a serious attack on my reputation and character and on the dedicated officers of the Department directly involved in the administration of the Trust.

The accounts of the Natural Heritage Trust are examined by the Auditor-General and have never been qualified in any way. There has been no suggestion of default, defalcation, other dishonesty or failure adequately to track expenditure. Similarly the performance of the Department of Environment and Heritage in the management of the Trust, in so far as that is a matter for the Department, has been examined by the Auditor-General on a number of occasions. While the Auditor has made a number of recommendations for improvement which have been accepted by the Department, none of those reports could sup-
port the gross management failure suggested by the Senator.

With respect to the answer to the Senator’s question on notice, that answer was prepared shortly after the February estimates meeting and was accurate with respect to the allocations for the 2000-2001 financial year. The Senator’s question to Senator Hill specifically indicated that he did not require information about expenditure. As Senator Hill undertook, the answer provided the definitions on which it was based. In the Budget which was brought down on 22 May, the Government announced expected expenditure in 2000-2001 and the roll forward of unexpended funds into the future financial years. In my comments in the Committee on 5 June, I was attempting to elucidate for Senator Bolkus’ information the differences between concepts of allocation to programs, commitment to projects and expenditure. I regret if this led to any confusion, but deny any intention to mislead.

COMMITTEES
Publications Committee

Report
Senator CALVERT (Tasmania) (10.12 a.m.)—On behalf of Senator Lightfoot, I present the 27th report of the Publications Committee.

Ordered that the report be adopted.

DELEGATION REPORTS
Parliamentary Delegation to the United Kingdom and Canada

Senator CROWLEY (South Australia) (10.12 a.m.)—by leave—I present the report of the Australian parliamentary delegation to the United Kingdom and Canada on child migration issues, which took place from 16 to 26 April 2001.

The delegation had some features that made it singular. It took place following a decision by the members of the Community Affairs References Committee. During the inquiry into child migration it became clear to us that there were some things relating to child migration that we could not properly deal with from Australia. Our terms of reference addressed child migration from Britain to Australia prior to World War II and, particularly, post World War II. Canada received many more migrant children, but they were sent far more during the 19th century than during the 20th century. Nevertheless, we believed that their experience would also be very constructive to our inquiry. The Prime Minister and, particularly, Mr Ruddock, the Minister for Immigration and Multicultural Affairs, supported the delegation, and so it was approved as an additional parliamentary delegation. Therefore, Senator Knowles, Senator Murray, the secretary of the committee, Mr Elton Humphery, and I were able to visit London and Ottawa in late April.

A lot of the questions that we asked could have been answered by witnesses via a telecommunications or a satellite link-up, but much of the evidence we received was clearly far better because we were there to see, if you like, the whites of the eyes of the witnesses. Nothing could have matched actually being there to meet a mother approaching her 80s whose son, absent from her life for over 50 years, had actually just made contact with her. He was a child migrant to Australia and had been out of touch with and unknowing of his family. The mother had long ceased to wonder about her son. The testimony of that witness was very powerful, and it would not have been possible to have picked that up via a satellite link.

Equally, some of the other witnesses discovered that they had brothers—full brothers, not steprelations—that they had not known of. As a result of the new moves over the last decade or so to assist child migrants to find their families of origin and make contact with them, some of the witnesses were able to report to us the impact of finding, as you are approaching 60, that you have a brother one year younger than you.

These were very moving and very powerful messages that we heard as part of our migration inquiry and, very importantly, something that could not have been obtained from Australia. I want to place on record—as we have in the report—our appreciation for the efforts of many people in assisting our visit and program, particularly the high commissioners Michael L’Estrange and Greg Wood and their staff in London and Ottawa. The use of Australia House in London and the High Commission’s conference facilities in Ottawa for meetings were a great help to the delegation. In particular, we would like to thank Terry Porter from the London post and
Victoria Walker from Ottawa for their great professionalism and for arranging, at short notice, such a fruitful program for the delegation.

There are a few points that I think need to be raised about this delegation, which is why I have chosen to make a few brief comments. One is that, more and more, committee inquiries in this place are going to have very relevant concerns with witnesses who are outside Australia. In short, global implications are beginning to impact very much on the inquiries of this parliament. That is no doubt the case in other places in the world and we need to think about the consequences of that. I know other Senate committees have raised the possibility of a delegation visit as part of their Senate inquiries. We have a set of guidelines that is of assistance but this issue needs to be raised again at some time in the near future so we can deal with the challenge that many Senate inquiries will face in obtaining necessary and constructive evidence that would assist them from places outside Australia.

While a lot of that evidence can be got by telecommunications—satellite link, phone hook-up—or by reading the information, there are times when it is critical to go and talk to people and go and see for ourselves. I do not believe we can just dismiss this point raised in our delegation report. Another way of looking at this is that the travel allowance which all senators have—our study entitlements—could sometimes be used to assist in the work of a committee. But, at the moment, if senators travel on their study allowance, they cannot be assisted by a secretarial assistant from the committee and they are not regarded as a formal delegation. I think that is another point that deserves further consideration.

The point of parliamentary privilege was raised with a number of people. We were assisted in this matter by some papers from the staff of the Senate, and it seems that parliamentary privilege does not travel beyond the borders of Australia. I wondered about hearings that might be held in Australia House or in Australian commissions, and whether these places were regarded as parts of Australia, but I was advised that that is not the case and that parliamentary privilege does not extend there. As I believe these kinds of inquiries will only get more frequent, the question of parliamentary privilege outside the borders of Australia needs to be reappraised. There are international courts where protection is given to witnesses from other countries or other places when they give evidence. It may be that parliamentary privilege is not of that order, but I think it is a matter of considerable importance for the protection of witnesses, in particular, but also, of course, for parliamentarians. We need to have further clarification and examination of those issues, which may be something that is put on the agenda for the next few years.

I commend this little delegation. The substance of our inquiry and the substance of our report will be included in the report on child migration, which we will be tabling later this month. While the report does not go to the substantive content of the conversations and visits that we had, it was an extremely fruitful visit. A lot of information was usefully shared between London and Canada. The other thing—and this is not in this report—is that Elton Humphery, the delegation secretariat, visited the archives in the House of Lords and had the opportunity to look at a lot of the documentation and information stored there from the British government inquiry into the child migration issue. That brings me to the consideration of increasing prospects of sharing, with parliamentarians and the Senate staff, research. There would be benefits to staff as well as to politicians in having access to that information and to travel opportunities from time to time. This is a small report, as I say. The substantive issues will be in our major report, but I think the points I have just raised deserve serious consideration by the Senate.

**FORESTS**

**Senator HILL** (South Australia—Minister for the Environment and Heritage) (10.21 a.m.)—by leave—I wish to make a brief statement on a motion that was carried by the Senate a little while ago. I thank the Senate. One of the problems with the way in which processes are being carried out in this place at this time is that somewhat ambiguous mo-
tions are being carried or lost without any debate. That might be a benefit for some, because they can then interpret the motion how they wish.

It is quite interesting, for example, in this chamber where both the government and the opposition support regional forest agreements—I have to concede that regional forest agreements were originally structured by the Labor Party, although they found it impossible to put them into effect; this government has put them into effect—that on a motion on forestry the opposition and the government are voting on opposite sides. So I thought, to avoid any incorrect interpretation, I should briefly state the government’s position.

The government’s position is that it continues to support the regional forest agreements that have been negotiated across Australia. They have been, I think, a very reasonable attempt to find a balance between the needs of harvesting communities, forestry communities, and to maintain in the national interest an adequate conservation reserve. Conservation reserves were based on the principle that they should be comprehensive, adequate and representative and, as environment minister, I am proud of the conservation reserve system that has come out of those agreements. We have very significantly increased the conservation reserves of Australian native forests, in particular old growth, as a result of those agreements. On the other hand, we have also been able to maintain forest industry communities that know they must harvest the remaining native forest on both an economically and ecologically sustainable basis. That ecological sustainability is obviously determined under the state government forestry harvesting plans.

In parallel, we have encouraged the development of plantation forests and have been very successful in doing so. The plantation forestry in Australia has expanded greatly in recent years. It has run into a little hiccup at the moment in relation to the issue of tax deductibility, which has caused some drying up of funds. I hope, after that is overcome, adequate capital investment will continue in order not only that we have a strong plantation forestry but that ultimately it would be able to succeed Australian native forests in providing the wood and timber needs of this country. Certainly in relation to pulp timber, it should be able to do that. There seems to be a more complicated debate as to whether plantation timber, particularly for specialised products, will be an adequate substitute for some existing native species. That is a debate that will no doubt continue.

The government’s position is that we support the RFAs. We support a strong conservation reserve system in Australia. We support the harvesting of native forests that are not within that conservation reserve, provided that harvesting is on an ecologically sustainable basis. We support the development of a strong plantation industry sector which at least for most purposes will ultimately replace native forest harvesting.

Senator O’BRIEN (Tasmania) (10.25 a.m.)—by leave—I wish to make a statement on the same matter. Firstly, congratulations to Senator Brown. He has succeeded in having the government vote for a motion which calls for, in effect, the curtailing of logging of old-growth, high conservation forests. We were surprised that this motion—which we were advised last night the government were supporting—was going to receive the support of the government. We also note that the motion received the support of One Nation senator Len Harris, which also surprised us. Our view is that old-growth forests which—in accordance with the regional forest agreement—have been set aside in re-
serves, national parks and other protective measures should not be logged, whether or not there is a plantation alternative. Our view is that, where there are high conservation forests which have been set aside under the regional forest agreement or other appropriate protective measures, they should not be logged, whether or not there is a plantation alternative. Plantations ought to be encouraged to provide an ongoing resource for the Australian community—for export, for timber jobs—for the timber communities, for the foreseeable future.

We do not think plantations, suddenly, should be seen to be replacing those forests which have been set aside for logging or harvesting, depending on how you want to put it, that one is not being established to exclude the other. That may be what is determined in future agreements under the regional forest agreements, and we would support it, if that is what the regional forest agreements say. We are not prepared, and were not prepared, to support a motion which is in effect saying that the regional forest agreements should all be recast if there is a plantation alternative—whether that is, however appropriate that is. It does not say in the motion, for example, what relevance the appropriate species type in the plantation might be. It might be a pine plantation. It says that if there is an existing plantation alternative, whatever that might be, old-growth forests and high conservation forests should not be logged.

The opposition believe that we have been consistent with our approach to forestry, and I will state it again. Old-growth forests should not be logged if they have been protected under appropriate measures such as the regional forest agreements. High conservation forests should not be logged if they have been so protected. But this purported trade-off between plantation and old-growth forests is not appropriate, and we are amazed that the government would support it. I again congratulate Senator Brown. He has achieved somewhat of a coup this morning in having the government and One Nation support his motion.

Senator BROWN (Tasmania) (10.29 a.m.)—by leave—What the Senate has done this morning is support the following motion:

That the Senate considers that, wherever there is an existing plantation alternative, old-growth forests and high conservation forests should not be logged.

That is what the great majority of Australians believe: that if, through the investment that governments have made in particular in plantations, you can use those plantations to provide the wood needs of Australians for everything from house building through to papermaking, then you should do so. South Australia is an example. Over 90 per cent of all its wood use comes from plantations. But the ideologues of the Labor Party have shown their true colours today. They will not brook interference with the destruction of old-growth forests no matter what the alternative, no matter what the Australian public thinks, no matter what the sensible economic objective may be. So we have the situation where we have two million hectares of plantations in Australia—many of them at maturity—available to provide the wood needs of Australians for everything from building through to paper use, but the Labor Party say, ‘Regardless of what alternatives there are, no matter how good they are, we want to see this record destruction of native forests continue.’

Senator Ian Campbell—Where does Kim Beazley stand? That is what I want to know.

Senator BROWN—Kim Beazley is right behind this. Let me say to members opposite: if ever there was a commonsense and in some ways innocuous motion, this is it. It is way short of what the Greens would like to put forward. This says: if there is a real alternative in plantations and you have to judge between whether you use the plantations or whether you cut down more of the native forest ecosystem, then you go for the plantations. Labor has isolated itself way to the right of the Liberals on this and is right out of touch with public feeling on this issue—which is going to be a major federal election issue, mark my words. Labor today has staked its position as more chainsaw driven in its policy than the Howard government. When there is an opportunity to
levy some commonsense in tune with public sentiment on this—and the government, One Nation, the Democrats and the Greens accept that commonsense—Labor will not take it. Labor wants to be in the destructive chainsaw mode regardless of the alternatives. That comes from the ideologues driving Labor policy, particularly in Tasmania, where this year 150,000 log trucks will take our wild forests to the woodchip mills—

Senator O'Brien—One hundred and fifty thousand log trucks?

Senator BROWN—That is right. Your nervous interjection is noted, Senator O'Brien. One hundred and fifty thousand log truck loads will go to the woodchip mills this year under your policy, with your assent, regardless of public feeling about this and regardless of whether there is a plantation alternative. I will tell you the outcome, Mr Acting Deputy President: the outcome is that Labor is putting plantation logs onto ships in Tasmania today and sending them to Korea for downstream processing. Because Labor is so determined to log forests regardless of the alternatives, these plantation logs, which were grown to provide for the needs of Australians, are being exported, with the jobs and the value adding, to the Northern Hemisphere. What an appalling travesty of good policy that is. What a misuse of past investment of state and federal government money in plantations this is. What a failure to take on a win-win situation.

I note that the government stand by the RFA, and I totally disagree with them on that. This motion has not altered the government's position on that, but what it has done is expose the ideologues in the Labor Party as being right out of keeping with reality and public sentiment on this issue—isolated and extraordinarily out of keeping with public sentiment on one of the great environmental issues of the day. I note that Mr Ferguson from the House of Representatives was in Tasmania last week saying, 'Bring on the regional forest agreement legislation in the parliament,' pushing the Liberals again to go harder with the chainsaws than even they would want to. You will know, Mr Acting Deputy President, that I totally disagree with the Liberals' policy when it comes to woodchipping and logging of native forests in this country.

But what I find extraordinary is that the Labor Party are determined to put themselves to the right of Mr Howard on this issue. And the further they go, the further out of keeping with public sentiment they are on the issue. It is muddle-headed, wrong ideology. And why? For a job loss policy that they have primarily in Tasmania. As the rate of destruction of native forests increases, the number of jobs in the industry decreases. It is automating and it is changing industry structure in a way which is continuing to shed jobs even as we have a record rate of destruction of native forests in all of Tasmanian history—and that is saying something. This is at the expense of job creation in the tourism, recreation and hospitality industries, where the real job growth in regional Tasmania is.

This is an appalling indictment of Labor. They are isolated, they are out of keeping with public feeling and they will pay for this at the federal election, because this is going to be a federal election issue. I have letters in my office today from people who vote Liberal saying, 'On issues like this, how do we vote for the Greens and then make sure we go back to the Liberals afterwards,' and I will explain it to them.

Senator Forshaw—That's a sleazy deal.

Senator BROWN—No, that is not sleaze, Senator; that is helping the democratic process because people are confused—

Senator Ian Campbell—Mr Beazley is confused.

Senator BROWN—Because the Labor Party—and Mr Beazley—are more chainsaw driven when it comes to our native forest industries, even when there are good alternatives, than the Howard government. What an indictment of Labor this morning's vote has been.

Senator MURPHY (Tasmania) (10.37 a.m.)—by leave—With regard to the issue that has arisen here in respect of Senator Brown's motion, insofar as the motion is concerned I do not think anyone really has any argument with it from a principle point of view.
Senator Ian Campbell—You voted against it.

Senator MURPHY—I suspect we will see your colours at some point in time in the future, Senator Campbell, on this matter. As a principle, nobody would argue against it, because that is what is happening in effect; in reality, that is what is happening. It makes no economic sense for companies that have access to plantation stock for pulp and paper, for instance, to draw their wood from old-growth and native forests. The industry itself will drive its resource supply towards plantations purely because of economic reasons—and it is doing that.

I have another view about ecologically sustainable management of commercially available native forests which I will not enter into here at the moment. But can I say that the motion is broad and that we did go through a process, in the interests of the downstream processing industry that we had—we have remnants of it now, unfortunately—where it was determined that certain native forests, whether they be old growth or regrowth, would be available for commercial purposes, I have a view that that ought to still be the case. As I said, I have another view about how they ought to be managed. But the reality is that it is essential for at least the foreseeable future that those forests are available for certain aspects of the forest industry in this country.

I noted Senator Hill said the plantation industry in this country had been going along seemingly very well. I have to say that the motion is broad and that we did go through a process, in the interests of the downstream processing industry that we had—we have remnants of it now, unfortunately—where it was determined that certain native forests, whether they be old growth or regrowth, would be available for commercial purposes, I have a view that that ought to still be the case. As I said, I have another view about how they ought to be managed. But the reality is that it is essential for at least the foreseeable future that those forests are available for certain aspects of the forest industry in this country.

As for the government’s position, I cannot understand at all how you could even vote for something as broad as this, because if you support the RFA you could not vote for this; you just cannot vote for this. I noticed one of your colleagues who did not vote—Senator Abetz—and I suspect that someone like Senator Gibson and probably even Senator Calvert know that within my state—their state—we have to rely upon access to native forests and will have to for the foreseeable future. That is why I could not support it. I have sympathy for the principle, and I know that one day in the future that will be the case.

The viability of the pulp and paper manufacturing industry globally is driving the industry towards accessing plantation stock, simply because of its fibre make-up and the
cost of manufacturing pulp and then paper. It is a very competitive market. So it is not a problem in that respect. Again, in respect of the plantation industry, most of the trees planted in this country today are not suitable and will never be suitable for downstream processing, except, as I say, for veneer or maybe medium density fibreboard-type, reconstituted timber products. The wood from most of the trees being planted today will not be suitable for face grade timber such as we see a lot of in here. That is another part of the government’s strategy where they have gone wrong. They have not put in place a strategy to develop an industry which will actually deliver the type of plantation base that will meet all the needs of Australia’s forest industry. If we are talking about having an import replacement program across the board in terms of forest products, then the strategy must be changed, and it must be changed now. Yet, if you listen to Minister Tuckey, the only solution he has is to say, ‘We need to give the forest plantation industry more tax breaks.’

As I said, I do not have a problem with tax breaks or with using tax incentives to raise capital for plantation development, as is the case and should be the case with other agribusiness industries as well, because it is difficult to raise capital for those types of things. However, if you are going to use the tax system—taxpayer funded operations—then you ought to have a proper strategy. That is what is absent, and Senator Hill ought to get his head around that as well. A proper strategy is what this country needs, and it is not getting it. That is one of the main reasons why we cannot support the motion, and why we did not. Certainly in my state the government are going to have to explain their position regarding this motion to the people involved in the industry. I guess they will have to in some other areas as well, particularly in New South Wales and in Victoria. As a result of the RFA in Victoria, there was a gross overestimation of the available resource in the native forests that were set aside for commercial use.

This is not without its problems, and yet we have seen the government come in here today and vote for something that says, ‘Let us all head off into plantations.’ At the end of the day, people will have to judge that. As I said at the outset, the principle of the motion is sound. In time, it will happen, but the reality is that some parts of the industry in some parts of this country will have to rely on access to native forests for the foreseeable future.

Senator FORSHAW (New South Wales) (10.47 a.m.)—by leave—I have listened to the comments of the government and Senator Brown on this matter, and I have to say that, if the government want to have credibility in politics and when they go to the next election campaign, they should at least try to have some consistency in their position. It is quite clear that the government, desperate as they are now to grab some votes from wherever they think they might be able to get some, have been totally inconsistent in supporting the position they have today, when you compare that to the position they have adopted all along on these forestry related issues. The minister, Mr Tuckey, has been travelling around this country for the last couple of years berating Senator Brown and the Democrats and the Labor Party because, when he introduced his RFA legislation some two years ago, we in the Senate amended it to ensure that this Senate and this parliament would have some right to oversee the final RFA agreements. We were accused of setting out to destroy the timber industry and timber jobs. In particular, Mr Tuckey is on the record on numerous occasions as saying that he and his government are committed to continuing the logging of old-growth forests.

What we have seen today is a clear example of political expediency for the sake of the next election. In a short time, as I understand it, the government are going to reintroduce their RFA legislation into this parliament. How can they present that same legislation to this parliament after supporting this motion today? The sentiments of this motion are totally inconsistent with the government’s own RFA legislation. Not only that, the motion is inconsistent with the whole RFA process which we developed when we were in government and which has been carried on, albeit with some divergence on the part of
this minister, by the current government and by the states. We have now reached a position where regional forest agreements have been negotiated in just about all areas and all states of Australia, as was originally intended when the process commenced. In our view, those agreements, with the exception, of course, of the problems in Western Australia with the first agreement, represent a good outcome for both the timber industry and the environment. It has been a long process to bring that about. It has been achieved, I might say, despite the eccentricities of the current minister and the outrageous attacks he has made on state governments, particularly the state Labor governments.

But at least we understood, we thought, that this government were committed to the RFA process. That is what the states have worked on. Today, we have seen this government walk away from that process and from their own proposed legislation. Is it any wonder that there were members of the government who were not happy with the stance they were adopting—that was quite clear when the vote was being put. The government’s support for this motion is simply inconsistent. I take note of Senator Murphy’s and Senator O’Brien’s contributions in outlining the Labor Party’s position on this. We have been consistent all the way through. We have consistently supported the RFA process as being the means to go forward, protecting and developing the future for the timber industry and at the same time taking account of the environmental need to protect old-growth forests and to promote a sustainable plantation industry.

Senator Brown is consistently inconsistent. As we all know, the position of Senator Brown is that he will attack the native timber industry by promoting a plantation industry. But that is not his real position. His real position was on the record yesterday when he put up a motion, voted against by the government, effectively attacking the plantation industry. In the last 12 months particularly, we have increasingly heard calls from Senator Brown and the Greens to stop future logging in a whole range of plantation areas. I think that, at the end of the day, Senator Brown’s real position is that he does not support any trees being logged, whether they be in native forests, old-growth forests, new-growth forests or plantations. I think that is ultimately your position, Senator Brown, and I think that, increasingly, the people of Australia are coming to understand that.

Senator Brown—That is not true; you know that is not true.

Senator FORSHA W—Senator Brown, we have been consistent all the way through. We have recognised that we have to move this industry forward, but we have to do it in a sustainable way and we have to take account of the needs of protecting our old-growth forests in a proper manner through an RFA process that all state governments and the Commonwealth government, both the previous Labor government and this government, have been committed to—up until this morning. I look forward with interest to the debate, when it comes on, about the government’s RFA legislation, because we will be reminding the government of what they have done here today. They have effectively walked away from that process.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (10.55 a.m.)—by leave—It has been enjoyable to sit here with my colleague the Deputy Whip and watch the unfolding scene across the other side of the chamber. The Labor Party, who were heckling during the division, as Senator Brown will recall, have spent over half an hour explaining their position. Senator Hill came in and said, ‘We’d better make sure that people like the timber communities know how we voted.’ If you look at the wording of the motion, which I think Senator Murphy and others want to drift over, Senator Brown has in fact put forward a motion that sensible people can support. It is a tight qualification of what I know his position is. Senator Brown would like to see all logging of native and old-growth forests finish at midnight tonight, or even at lunchtime, if he had his way—morning tea time, even—but, of course, he is practical, sensible and pragmatic. He said ‘wherever there is an existing plantation alternative’. That is a tight con-
straint on the second part of the motion which talks about stopping logging in old-growth and high conservation forests.

The coalition was relaxed about not opposing but supporting it, because it is, as Senator Hill said, effectively a reaffirmation of the coalition’s policy. The coalition’s record on this is there for all to see. Senator Brown has made it quite clear that he does not support our policy—and we have made our policy quite clear. The RFA process, whether you like it or not, and Senator Brown does not, has been arguably, certainly within Australia—I do not think anyone on the other side would disagree with this—very thorough; some would say tortuous and arduous. It has been a scientifically based process. It has struggled with the emotions and the politics but, most importantly, the science of how you build a sustainable timber industry in all of the different parts of Australia with all our different geographies, climates, rainfalls, topographies and the different social environments as well. I know my home backyard in the south-west of Western Australia is very different from a backyard in South Australia, which is very different from a backyard in Tasmania. I have been very close to the political, environmental, scientific and emotional struggles that have ensued in the south-west of my own beautiful state of Western Australia.

The beauty of the debate that has taken place today is to see the line-up of Labor politicians who have actually had to get up and explain where they stand. The motion is quite clear that, where an alternative plantation exists, there should not be logging in old-growth and high conservation forests. It is very clear. Our position was not to oppose it.

Senator Coonan—How could you oppose it?

Senator IAN CAMPBELL—“How could you oppose it?” Senator Coonan interjects so delicately and gently. It is practical. Senator Murphy probably had the most articulate and well thought out contribution to the debate today from the other side; he did not have much competition. Senator Murphy spoke about Tasmania—and I know very little about the Tasmanian forest area—but in my own state of Western Australia the Labor government has banned all old-growth forest logging. As Senator Brown and Labor senators will know—I do not know whether Senator Cook has been down south lately and had a look around the forests—Dr Gallop in Western Australia has had to basically shift all of the logging out of the old-growth forests and move it into the native forests and regrowth forests. He is creating a huge sustainability problem in the regrowth forests and other native forests outside the old-growth area. He has created a social, economic and environmental disaster in Western Australia because he has not thought through his policy.

The last point I would make is that we have seen the Labor Party all over the place on this issue today trying to explain their position. There are two people in the other place who need to, as a result of this motion and this vote by the Labor Party today, somehow explain their positions. Mr Beazley has more positions than the Kamasutra on tax—we do not know what his position is on forestry now. Back in Western Australia during the state election he was down there literally hugging the trees, side by side with Dr Gallop plodding through the forest. I feel sorry for those poor creatures in the undergrowth being trod on by Mr Beazley and his party of journalists. He was greener than green, side by side with Dr Gallop during the election, but here his Labor Party have signed on to a policy that raises doubts about where Mr Beazley stands. Where does he stand on forestry policy? He cannot go back to Western Australia and say, ‘My mates up in the Senate opposed this motion—and then voted for it; called a division on it.’ He has got a lot of explaining to do back home. I hope that Senator Brown joins us in asking Mr Beazley to explain his position to his comrades in Western Australia.

Mr Beazley is the person—along with Senator Bolkus, I think—that Senator Brown had to negotiate with prior to the Ryan by-election in relation to forest clearing issues. Senator Brown must be reconsidering the sorts of undertakings that were given to him and how reliable those sorts of undertakings might have been prior to the Ryan by-
election. I think the member for Ryan needs to explain where she might stand on this motion. I fully expect that Senator Brown, because I have seen the way that he operates, would be trying to draw out from Mr Beazley and the new member for Ryan just where they stand in relation to forestry issues. Their behaviour today leaves a gaping hole in credibility in where they were when it suited them, for short-term pragmatic political reasons, before those electoral tests. We wonder just where they would have stood in relation to Ryan and what effect it would have had on the political dynamics of Australian national politics in this very important year in Australian national politics if in fact the Greens had not done that deal with the Australian Labor Party in relation to preferences in Queensland on the back of one of Mr Beazley’s pledges—if in fact the Greens had decided to split their ticket or give their preferences to Mr Tucker.

The ACTING DEPUTY PRESIDENT (Senator Calvert)—Senator Campbell, your brief statement has now exceeded the brief statement by Senator Forshaw by quite a considerable time.

Senator IAN CAMPBELL—I will be brief, Mr Acting Deputy President. Of course, it is a comparative thing, and I think it is something the Procedure Committee should look into. I did not seek to draw attention to the brevity or otherwise of the statements of senators opposite. Australian Labor Party senators have spoken well in excess of 30 or 40 minutes on this matter and I just wanted to balance the ledger slightly. I conclude by saying that, when Mr Beazley does find himself a position on forest issues and all the other issues that he is flip-flopping on, if he can, between now and the election, he should do more than write it on a bit of perspex with a texta like he did his Telstra pledge. It would be very good if Mr Beazley could put a bit of policy, a bit of substance, on a bit of recycled paper on this issue so that we could actually know where he stands, because it is impossible to tell after today’s vote by his comrades here in the Senate.

FINANCIAL SERVICES REFORM BILL 2001
FINANCIAL SERVICES REFORM (CONSEQUENTIAL PROVISIONS) BILL 2001
CORPORATIONS (FEES) AMENDMENT BILL 2001
CORPORATIONS (NATIONAL GUARANTEE FUND LEVIES) AMENDMENT BILL 2001
CORPORATIONS (COMPENSATION ARRANGEMENTS LEVIES) BILL 2001

First Reading
Bills received from the House of Representatives.

Motion (by Senator Ian Campbell) agreed to:
That these bills may proceed without formalities, may be taken together and be now read a first time.
Bills read a first time.

Second Reading

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (11.05 a.m.)—I table revised explanatory memoranda relating to the Financial Services Reform Bill 2001 and the Financial Services Reform (Consequential Provisions) Bill 2001 and move:

That these bills be now read a second time.

Senator IAN CAMPBELL—I seek leave to have the second reading speeches incorporated in Hansard.

Leave granted.

The speeches read as follows—

Today the Government introduces a package of bills to modernise the regulation of the Australian financial services industry.

This package will directly benefit the 330,000 people employed in the industry and will directly benefit the 17 million consumers of financial products.

Importantly, it provides the financial services industry with an unprecedented opportunity to become a major exporter of services to three billion people in Asia and other jurisdictions around the world.
The government had been aiming for commencement of the new regime on 1 July 2001. However, the delay in the introduction of the bills while we negotiated a secure constitutional basis for corporate regulation with the states meant that this was not possible.

The Government will now be taking all the steps it can to expedite the passage of the bills so that the new regime can commence on 1 October 2001.

FINANCIAL SERVICES REFORM BILL 2001

The main component of this package is the Financial Services Reform Bill 2001 which will introduce a harmonised regulatory regime for market integrity and consumer protection across the financial services industry.

The reforms proposed in the Financial Services Reform Bill 2001 will facilitate the development of a financial services industry that is both globally competitive and consumer focused.

They are at the cutting edge of global regulatory practice.

The bill constitutes the third tranche of the government’s legislative response to the financial system inquiry, FSI, report.

The FSI report—also known as the Wallis report—concluded that the complex and fragmented regulatory framework was creating inefficiencies for financial service providers and confusion for consumers.

It recommended the introduction of a single licensing regime for all financial sales, advice and dealing and the creation of a consistent and comparable product disclosure framework.

It argued that these changes would generate substantial benefits for both the industry and consumers.

This bill is the vehicle that will enable financial service providers to reap the efficiencies and cost savings identified by the FSI.

It will do so by introducing a harmonised licensing, disclosure and conduct framework for all financial service providers.

It will establish a consistent and comparable financial product disclosure regime.

It will create a streamlined regulatory regime for financial markets and clearing and settlement facilities.

The bill recognises that it is no longer possible for different financial institutions, services and products to be regulated under separate regulatory frameworks.

It will ensure that Australia’s regulatory framework keeps pace with current developments in the financial services industry.

The bill will remove regulatory barriers to the introduction of technological innovations and assist Australia’s financial services industry to meet the technological challenge posed by the spread of e-commerce.

It will ensure that Australian financial service providers that seek to compete in the global marketplace are not disadvantaged under Australia’s domestic regulatory framework.

The streamlined regulatory regime proposed in the bill will reduce the compliance costs associated with carrying on a financial services business.

The bill will bring particular benefits to financial institutions that seek to provide their clients with a full range of financial services and products. However, it has been carefully crafted to ensure that specialist providers and small businesses will not be disadvantaged.

Consumers will benefit from the introduction of a consistent framework of consumer protection.

The bill will enhance the capacity of consumers to understand and compare different financial products and evaluate financial advice. It will also ensure that consumers can access appropriate complaint handling mechanisms for resolving disputes with financial service providers.

Whilst most industry participants have welcomed this bill, and many are keen for the new arrangements to commence at the earliest opportunity, a minority has resisted any change to the current regulatory arrangements. The government has listened very closely to the arguments of these industry participants, and has sought to address as many of their concerns as possible.

However, for the benefit of industry and consumers as a whole, it is necessary for these participants to move outside their ‘comfort zone’ and become part of a highly dynamic and rapidly changing financial services industry.

The bill’s overall objective is to harmonise, rather than increase the intensity of, the current regulatory framework.

Many financial service providers are already subject to regulatory frameworks governing licensing, disclosure and other conduct obligations. However, these frameworks vary across different industry sectors. This fragmentation increases compliance costs and reduces industry efficiency.

The bill seeks to harmonise these diverse requirements within a single overarching frame-
work that will apply to all financial service providers.

The bill will replace a substantial amount of existing legislation, hence its size. It is important to emphasise that harmonisation does not equal uniformity.

The new framework will protect individual and small business consumers without imposing higher costs on wholesale transactions between sophisticated professional investors that operate in a competitive global market.

The framework will also be capable of flexible implementation so that it can apply differently to different products where this difference can be justified within the overall objectives of the regulatory framework.

Basic deposit products will be subject to less intensive regulation than more complex investment products. This will ensure that the bill will not jeopardise the cost-effective provision of basic banking services, especially in rural and regional areas.

The bill will also provide financial service providers with the flexibility to adopt corporate structures and distribution channels that best meet their commercial objectives.

Furthermore, it is anticipated that industry codes will play an important role in fleshing out standards for meeting the requirements of the new regime.

The bill is the product of an extensive process of consultation that has been widely applauded by both business and consumer representatives.

Discussion papers setting out the major reforms proposed in the bill were released for public comment in December 1997 and March 1999. An exposure draft of the bill was released for public comment in February 2000. Over 120 submissions were received in response to the exposure draft.

This exposure draft was also considered by the Parliamentary Joint Committee on Corporations and Securities.

The Government would also like to thank the members of the government’s Business Regulation Advisory Group for their participation in the consultation process.

The bill has been refined in response to issues identified by stakeholders, as well as the first report of the Parliamentary Joint Committee on Corporations and Securities, and the Business Regulation Advisory Group.

In addition, the relevant state and Northern Territory ministers have been consulted about these reforms in accordance with the Corporations Agreement and the Government has obtained the approval of the Ministerial Council for Corporations for those amendments included in this bill for which the council’s approval is required under that Agreement.

The Government has asked the Parliamentary Joint Committee to consider the final form of the bill that was introduced in the House of Representatives, focusing particularly on the changes that have been made and other elements of the bill that have not previously been considered.

**Coverage of the regime**

The bill will cover a wide range of financial products: shares and debentures, derivatives, managed investment products, general and life insurance products—other than health insurance—superannuation products and retirement savings accounts, deposit products, non-cash payment facilities and some foreign exchange transactions—where contracts are not settled immediately.

Credit will be expressly excluded from regulation under the bill. Consumer credit will continue to be regulated under the Uniform Consumer Credit Code (UCCC).

**Financial service provider licensing**

A person who carries on a financial services business will be required to hold an Australian financial services licence.

A licence can be sought to provide all financial services in relation to all financial products or a more limited class of services and products. The licence criteria will be applied having regard to the scope of the licence being sought.

Licensees will be able to authorise natural persons or corporate representatives to act on their behalf. However, licensees will be responsible for the conduct of their representatives.

The new licensing provisions have been carefully crafted to accommodate existing representative structures. They will provide industry participants with the flexibility to structure their distribution arrangements in a manner that best meets their commercial objectives.

The bill contains a mechanism for professional bodies, whose members in the course of carrying on their profession give financial product advice, to come within the licensing regime through a mechanism referred to as the declared professional body.

**Financial service provider disclosure and conduct**

The financial service provider disclosure obligations contained in the bill will ensure that retail
clients receive sufficient information to make informed decisions about whether to take up a financial service and whether to act on the advice they receive.

In particular, advisers will be required to disclose information on any conflicts of interest, including commissions, that might reasonably be expected to influence the advice provided. Additional requirements will apply where advice recommends the replacement of one financial product with another.

These provisions, particularly as they apply to risk insurance products, have been the subject of much debate in the consultation process. Modifications have been made to the original proposals. There are still some in the industry who oppose the approach adopted in the bill. However, the Government remains convinced that we have got it right. To go further would compromise one of the key objectives of the bill, of moving away from inefficient product based regulation to a harmonised regulatory framework across the financial services industry.

Financial product disclosure

The bill will establish a regime for disclosure throughout the life of a financial product: from point of sale disclosure to confirmation of transactions, ongoing disclosure and periodic reporting.

In relation to point of sale disclosure a dual approach is taken. Shares and debentures will remain subject to the fundraising provisions that are contained in Chapter 6D of the Corporations Act 2001. These provisions were recently reformed by the Corporate Law Economic Reform Program Act 1999, and it would have been inappropriate to subject them to further change.

All other financial products, including managed investment products, will be subject to a new point of sale disclosure framework based on a product disclosure statement.

The product disclosure statement will be required to provide retail clients with key information relevant to a particular product as well as any other information that is known to the issuer that might reasonably be expected to influence a retail client’s decision to acquire the product.

The bill’s approach to financial product disclosure is intended to ensure that retail clients receive sufficient information to make informed choices in relation to the acquisition of financial products and that this information is provided in a concise and readily understandable format that facilitates comparisons between financial products.

The bill will also require product issuers that are not licensees to provide retail clients with access to internal and external dispute resolution procedures.

Markets and clearing and settlement facilities

The bill introduces a simplified approach to the regulation of financial markets and clearing and settlement facilities.

The seven routes to authorisation for securities and futures exchanges under the current Corporations Act will be replaced with a single licensing regime based on the Australian market licence. Similarly, the two current routes to authorisation for clearing and settlement facilities will be replaced with a single Australian clearing and settlement facility licence.

The new regulatory structure contained in the bill will clarify the roles and responsibilities of market and facility operators, the minister and the Australian Securities and Investments Commission.

Under the new licensing arrangements, licensees will have primary responsibility for the operation of markets and facilities.

The minister will have overall responsibility for licensing financial markets and clearing and settlement facilities.

ASIC will be empowered to advise the minister in relation to the minister’s licensing responsibilities under the new framework, and the minister will be required to have regard to ASIC’s advice.

ASIC will also be required to undertake annual assessments of the adequacy of market and facility licensees’ supervision arrangements and will assess their compliance with the relevant obligations under the new regime.

The bill will provide market operators with greater flexibility in developing market supervision and compensation arrangements to meet their obligations under the new regulatory regime.

The compensation arrangements in the bill are largely based on existing provisions in the Corporations Act. However, during the consultation process fundamental issues arose about the approach to compensation arrangements. Given the significance of the issue, the Government has asked the Companies and Securities Advisory Committee to consider the matter with a view to implementing further changes, if necessary, in the future.

Given structural changes in clearing and settlement both in Australia and globally, the Government has decided that it is appropriate for the Reserve Bank of Australia to have an explicit role in relation to systemic risk matters. As a result,
amendments have been made to the bill to provide the RBA with a role to set financial stability standards, and monitor compliance with them. The RBA will also monitor the specific obligations of license holders of clearing and settlement facilities to ensure that they do all things practicable to reduce systemic risk. The RBA will be responsible for requesting ASIC to take any necessary actions in relation to systemic risk obligations.

The bill will apply a ‘fit and proper person’ test to a range of persons involved in licensed financial markets and clearing and settlement facilities.

The current five per cent shareholding limitation applying to the Australian Stock Exchange Ltd will be removed. In its place the bill applies a voting power limitation of 15 per cent to financial markets and clearing and settlement facilities that are prescribed as being of national significance. However it will be possible for the minister to approve a larger voting power in relation to a market or facility where this in the national interest. The explanatory memorandum to the bill contains guidelines for assessing whether a market or clearing and settlement facility is of national significance.

Market and other misconduct provisions

The provisions relating to market and other misconduct in the current Corporations Act will be streamlined and extended, as appropriate, to apply to all financial products and markets.

A number of market misconduct provisions will become civil penalty provisions. This means that contraventions will be subject to both civil penalties and criminal consequences.

Telephone monitoring during takeover bids

The bill will amend the regulatory framework covering takeovers to provide greater protection for target shareholders. It will require bidders and targets to record all telephone conversations with target shareholders during the bid period. Privacy safeguards to protect the information will also be required.

This measure will enhance ASIC’s capacity to investigate and take enforcement action in these situations.

Amendments to other Commonwealth legislation

The bill also makes amendments to a number of other Commonwealth acts. These involve repealing a range of existing provisions that will be replaced by provisions of the Financial Services Reform bill.

There are also amendments to other Commonwealth acts that contain references or concepts that will change under the Financial Services Reform bill. The objective of these consequential amendments is to maintain the current effect of the existing provisions.

FINANCIAL SERVICES REFORM (CONSEQUENTIAL PROVISONS) BILL 2001

The proposed transitional provisions relating to the commencement of the new regulatory framework are contained in the Financial Services Reform (Consequential Provisions) Bill 2001. The bill will also make a range of amendments to other Commonwealth legislation that are necessary as a consequence of the Financial Services Reform Bill.

The bill provides highly flexible and responsive transitional arrangements for the financial services industry in moving to the financial services reform regime. It will allow for a smooth and gradual move from existing regulatory regimes to the new regime, reducing the cost and disruption of the change in regulatory arrangements.

The transitional provisions in the bill are of two types: those that deal with when the financial services reform regime begins to apply to different people and those that deal with how a person moves from their existing regulatory regime into the financial services reform regime.

Generally, the bill allows for the provisions in the Financial Services Reform bill to be phased in over two years.

The transitional arrangements for financial service providers and financial products will ensure that the proposed 1 October commencement date will simply give those existing participants who are ready on that date the opportunity to comply if they so wish. Others who need more time to prepare will generally have up to 1 October 2003 to comply with the requirements of the Financial Services Reform Bill.

This will enable those financial service providers and product issuers who are ready by 1 October this year to take advantage of the efficiencies offered by the new regulatory regime at the earliest possible time, while not forcing an unrealistic commencement date on those who need more time.

Financial services provider licensing, conduct and disclosure

Existing financial services providers will have up to two years to comply with the new regime. During this period, they will be able to continue to operate under their existing regulatory regime.
This two-year period will provide current industry participants with sufficient time in which to arrange their affairs in order to comply with the new legislation and to apply for and be granted an Australian financial services licence.

New entrants will have to comply with the new regime from commencement.

Representatives of those who provide financial services will also be covered by the transitional arrangements.

During this period, existing participants will be able to choose when they wish to apply for a new licence. So those participants who are anxious to take advantage of the range of benefits which this new regime offers will be able to apply for a new licence immediately on commencement. Those who require more time to make the necessary changes can apply later for their new licence.

The bill also allows for some existing participants to automatically obtain a licence. This will minimise the administrative burden by ensuring that those who are currently complying with a similar regulatory regime will be automatically eligible for a licence covering their current activities.

There is also provision for insurance multiagents to be granted a special, restricted licence during the transitional period. This will facilitate the transition for multiagents who wish to seek a licence in their own right rather than continuing to act as agents.

**Financial product disclosure**

Issuers of financial products will also be given a two-year transitional period for existing products, that is, products that are in a class of products which they had issued prior to commencement. During that time they will still have to comply with any existing disclosure regime. They will be able to opt in to the new regime at any time during this two-year period.

For new products, the regime will apply immediately on commencement.

**Markets and clearing and settlement facilities**

The bill also includes transitional provisions for securities and futures markets and clearing houses which are approved under the current regulatory regime.

In brief, the minister will be required to issue a licence under the new regime to the main markets regulated under the current regime and to currently approved clearing houses in relation to activities they are currently entitled to provide—that is, existing main markets and approved clearing houses will be grandfathered in respect of their existing activities.

Other authorised markets, such as those which are currently regulated as exempt stock markets, will have two years to bring themselves under the new regulatory regime although there are limitations on expanding their business before doing so.

Similar transitional arrangements will apply to financial markets and clearing and settlement facilities which are not required to be approved under the current regulatory regime, but will be required to be licensed under the financial services reform regime.

Special provision is made for markets and clearing and settlement facilities which are approved but not operating at the time the new regulatory regime commences.

**Other transitional issues**

The bill also provides for regulation making powers and powers for the Australian Securities and Investments Commission to make determinations dealing with transitional issues connected with a person moving from their existing regulatory regime—if any—into the new financial services reform regime.

These arrangements will ensure that such transitional issues can be addressed flexibly and effectively. This is particularly important in a transition that involves moving from a significant number of existing regulatory regimes into a single new regime.

In relation to the potential tax consequences for current industry participants in moving to the new licensing regime, the government called for submissions from industry to determine the precise nature and extent of the issue. The Government is in discussion with industry on these matters, and will consider whether legislation is necessary to deal with any identified tax consequences of the FSR bill.

**FEES AND LEVIES**

The bills dealing with fees and levies are the final pieces of the package to reform the regulation of financial services.

They complement the reforms included in the Financial Services Reform Bill 2001, but are included in separate bills to comply with section 55 of the Constitution.

**CORPORATIONS (FEES) AMENDMENT BILL 2001**

The Corporations (Fees) Amendment Bill 2001 makes minor amendments to the Corporations (Fees) Act 2001 to accommodate fees currently charged by ASIC in connection with its role in supervising self-listed markets, such as the Aus-
tralian Stock Exchange, and fees which may be charged by ASIC in other situations where it is required to take action in the face of conflict between the market licensee’s role as a supervisor of the market and the licensee’s commercial interests.

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CORPORATIONS (NATIONAL GUARANTEE FUND LEVIES) AMENDMENT BILL 2001

The Corporations (National Guarantee Fund Levies) Amendment Bill 2001 makes minor amendments to the Corporations (National Guarantee Fund Levies) Act 2001. In particular, it makes changes to terminology and cross-references which are necessary as a consequence of the reforms included in the Financial Services Reform Bill 2001.

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CORPORATIONS (COMPENSATION ARRANGEMENTS LEVIES) BILL 2001

The Corporations (Compensation Arrangements Levies) Bill 2001 makes provision for levies on market participants in markets not covered by the National Guarantee Fund to support the revised compensation arrangements for which the Financial Services Reform Bill makes provision. The Financial Services Reform Bill contemplates a wider range of compensation arrangements than is currently allowed and makes no distinction, on the face of the law, between stock and futures markets.

This bill will supersede the Corporations (Securities Exchanges Levies) Act 2001 and the Corporations (Futures Organisations Levies) Act 2001, which formed part of the Commonwealth’s package of new corporations legislation.

This is an historic package of bills that is going to have a profound impact on seven per cent of the Australian economy, which is the financial services industry.

Debate (on motion by Senator Denman) adjourned.

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PARLIAMENTARY (CHOICE OF SUPERANNUATION) BILL 2001

Report of Superannuation and Financial Services Committee

Senator COONAN (New South Wales) (11.05 a.m.)—On behalf of the Chair of the Select Committee on Superannuation and Financial Services, Senator Watson, I present the report of the committee on the provisions of the Parliamentary (Choice of Superannuation) Bill 2001, together with the Hansard record of the committee’s proceedings and submissions received by the committee.

Ordered that the report be printed.

Leave granted.

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

Leave granted.

Senator COONAN—I move:

That the Senate take note of the report.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

ALCOHOL EDUCATION AND REHABILITATION ACCOUNT BILL 2001

Report of Community Affairs Legislation Committee

Senator COONAN (New South Wales) (11.06 a.m.)—On behalf of Senator Knowles, I present the report of the Community Affairs Legislation Committee on the Alcohol Education and Rehabilitation Account Bill 2001, together with the Hansard record of the committee’s proceedings and submissions received by the committee.

Ordered that the report be printed.

ENVIRONMENT AND HERITAGE LEGISLATION AMENDMENT BILL (NO. 2) 2000 [2001]

AUSTRALIAN HERITAGE COUNCIL BILL 2000 [2001]

AUSTRALIAN HERITAGE COUNCIL (CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) BILL 2000 [2001]

Second Reading

Debate resumed from 7 December 2000, on motion by Senator Ian Campbell:

That these bills be now read a second time.

Senator BOLKUS (South Australia) (11.07 a.m.)—As we all know, this is the centenary of Federation, an important year, a year where we could in fact be seizing the opportunity to do something to commemorate and protect the heritage of this nation.

We are indeed presented with a historic opportunity to set in place a visionary regime for the maintenance and protection of Australia’s rich and diverse natural, cultural and
indigenous heritage. But instead of that we have the Environment and Heritage Legislation Amendment Bill (No. 2) 2000 [2001], the Australian Heritage Council Bill 2000 [2001] and the Australian Heritage Council (Consequential and Transitional Provisions) Bill 2000 [2001], presented by a government tired in the job, failing its responsibility and failing the challenge of taking Australia into this new millennium.

The Australian Heritage Commission Act, introduced by the Whitlam government in 1975, revolutionised the way in which Australian heritage was managed. It represented world’s best practice in heritage legislation at that time. It was seen to be visionary and it has been instrumental in the preservation of much of Australia’s heritage. However, despite many of its strengths, the legislation with time is starting to lag behind in some areas. International trends are towards stronger, more proactive heritage protection. There is broad agreement that the current legislation—some 26 years old now—must be improved. We now have the opportunity, as I say, in the centenary of Federation year to actually do something critical and substantial to re-establish our international leadership in the area of heritage protection.

However, this legislation before us today takes us backwards, not forwards. It is a significant step backwards. It has few improvements, and they are more than outweighed by its flaws. The Labor Party have serious concerns about this legislation. We do not support the bills, and we will therefore be opposing the second reading of the bills. We believe they fail the test of adequacy. They are fundamentally flawed. For us, the real challenge in this debate is not the government, because they have flagged their colours to the mast—this is a bill that is in accordance with the Howard-Hill doctrine of flicking responsibility back to the states, of abdicating national leadership; once again we have another example of it in this legislation—but the role of the Australian Democrats. It is now up to the new Australian Democrats leadership team to show their colours. We have been told that the new team have a new sense of credibility. The former challenger is now in charge, and it is up to them to stand firm on their position which they outlined in the Senate inquiry report into this legislation. In that report the Democrats recognised that this legislation was fundamentally flawed. It is now up to Senator Stott Despoja to take a grip of policy in this area and to seize control of the agenda in respect of this legislation.

We know that Senator Stott Despoja’s shadow spokesperson is being sucked in by the government. We know that they are seriously talking about amendments to this legislation. We know that they are seriously considering giving this legislation a second reading tick. We do not think that is good enough with fundamentally flawed legislation like this. If the new leadership in the Australian Democrats really means a new direction, if it really means an abdication of the policy direction of the Lees-Murray junta that used to run the party, then Senator Stott Despoja should be taking this legislation and the Democrats’ position on this legislation in a new direction.

The challenge for her is to do what the opposition wants to do with this legislation at the second reading, and that is to reject it and indeed save this parliament a lot of time. There is absolutely no way that the amendments that the Democrats are contemplating would be accepted by the government. So we are probably going to go through a process here where the Democrats will pursue their old line and then do a backflip and be corporatised into the government’s agenda and, as a consequence, this legislation will get a second reading and we will spend a lot of time going through a whole host of amendments which we know that Senator Hill has got absolutely no authority to accept.

During the years of the Howard government there has been a progressive politicisation of heritage protection, including natural, cultural and indigenous heritage. We have example after example in respect of this. This is the government that sanctioned the mining of uranium at Jabiluka in a world heritage area. It has aggressively pursued this agenda in the international arena, despite strong domestic community concerns about the environmental and cultural impacts of putting a uranium mine in the middle of a
world heritage area. In doing so, this government has besmirched our international reputation with its obsession to so build that mine.

The level of the politicisation of the process is evidenced further by the fact that the government-appointed chair of the Australian Heritage Commission, Mr Peter King, is a preselected Liberal candidate for the upcoming federal election. He was also chair of the World Heritage Bureau until a month ago. This is a person who has been instrumental in manipulating the processes and mechanisms of the world heritage convention to suit this government’s limited agenda—

Senator Kemp—That’s outrageous.

Senator Bolkus—to build a uranium mine in the middle of a world heritage area.

Senator Kemp—You will say anything. That is pathetic.

Senator Bolkus—This position and this person’s role in respect of this issue calls directly into question the independence of the Australian Heritage Commission. It undermines Australia’s international standing on heritage issues.

Senator Kemp—Get out of the gutter, Nick.

The ACTING DEPUTY PRESIDENT (Senator Calvert)—Order!

Senator Bolkus—Peter King should have been stood down from this position before the meeting of the World Heritage Bureau in July.

Senator Kemp—What a disgrace.

Senator Bolkus—I ask for a withdrawal, Mr Acting Deputy President.

The ACTING DEPUTY PRESIDENT—Senator Kemp, do you withdraw that offensive comment?

Senator Kemp—I just urged Senator Bolkus—

The ACTING DEPUTY PRESIDENT—No, I am asking you—

Senator Kemp—to get out of the gutter.

Senator Bolkus—Just withdraw!

The ACTING DEPUTY PRESIDENT—Order!

Senator Kemp—I just told you to get out of the gutter. What is unparliamentary about that?

Senator Lundy—It was everything else you said.

Senator Kemp—Oh, it was everything else I said too. I urged him to get out of the gutter; but, Mr Acting Deputy President, out of my great respect for you I will certainly withdraw.

Senator Bolkus—Mr Acting Deputy President, I raise a point of order. The withdrawal has got to be unqualified, and you have got to show some authority.

The ACTING DEPUTY PRESIDENT—Are you questioning the authority of the chair, Senator Bolkus? I asked Senator Kemp to withdraw the offensive statement.

Senator Kemp—And he has.

The ACTING DEPUTY PRESIDENT—Senator Kemp, would you just do it again, for the record?

Senator Kemp—I withdraw the statement and raise a point of order. The comment that Senator Bolkus made about your authority should also be withdrawn.

The ACTING DEPUTY PRESIDENT—That is another matter.

Senator Kemp—And the reflection that he made upon the chair should certainly be withdrawn.

The ACTING DEPUTY PRESIDENT—I do not believe it was a reflection on the chair. Nevertheless, Senator Bolkus, would you please explain—

Senator Bolkus—I was urging you to fulfil your duties, Mr Acting Deputy President.

The ACTING DEPUTY PRESIDENT—But were you questioning my authority?

Senator Bolkus—No, of course not. I was telling you that you had authority.

The ACTING DEPUTY PRESIDENT—Thank you.
Senator BOLKUS—Thank you, Mr Acting Deputy President. As I was saying, Peter King should not have maintained his position—he definitely should have withdrawn from it—particularly when he became the de facto member for Wentworth after Andrew Thomson went walkabout on his study tour in America. The failure of the minister and the Prime Minister not to insist that Mr King be stood down then is, we believe, simply unacceptable. It is unacceptable that he continues to maintain his role at the commission as we lead right into the heat of an election campaign.

We have an international reputation with respect to legislation. We have an international reputation in the way we participate in the world heritage forums—our participation in organisations such as ICOMOS and so on—but all of this now has been fundamentally besmirched by a government that has a grubby agenda of imposing on the world heritage scene a uranium mine in one of the treasured areas of the world. We find this legislation fundamentally unacceptable. Those who oppose these bills, unless they are significantly amended, include the Australian Council of National Trusts; environmental defenders offices, particularly in New South Wales; the Australian International Council on Monuments and Sites, ICOMOS; the Australian Conservation Foundation; the World Wide Fund for Nature; the Humane Society Internationale; and the Tasmanian Conservation Fund—a whole range of conservation councils.

A parliamentary committee inquiry into this legislation found that the legislation was fundamentally flawed. One of the most significant submissions was from seven former eminent chairs and commissioners of the Australian Heritage Commission: Professor Emeritus Yencken AO, Professor Emeritus Mulvaney AO, CMG, Dr Baker OBE, Ms Domicelj AM, Associate Professor Davis AM, Mr Molesworth QC and Dr McCarthy AO. All these previous chairs of the Australian Heritage Commission railed against this legislation, and they set out six principles that they thought should form the basis of any amendments to Commonwealth heritage legislation. These principles guide the opposition; they should guide the parliament. They are:

Heritage protection in Australia needs a strong national presence with national leadership from the national government—not as we see here today, legislation which fragments this national approach. And:

Complementary state and territory heritage action should be strongly encouraged.

Any amendment to national heritage legislation should progressively strengthen existing legislation, not weaken it in any way.

Importantly:

Constitutional powers of the commonwealth should be used to their full extent to protect places of heritage value to the nation.

The decision to include or not include and to remove places from national registers or lists should be vested in an independent professional body, not in the minister.

That is one of the fundamental problems we have with these bills. And:

Those parts of heritage systems that have worked well for a long time should not be lightly discarded.

In that respect, let us acknowledge that we have had 25 years of experience with the current legislation. We have had 25 years of application, dedication, research, development and assessment of sites for listing. All those 25 years have led to a national register. It is that national register and all the work that has gone into it that will be junked by this legislation. Sure, the minister says, ‘We will maintain the national register,’ but it would be maintained by name only, with absolutely no power emanating from its status in the legislation. Labor’s approach to heritage protection is based on these six principles. We wish to maintain and strengthen the existing Australian Heritage Commission Act 1975. It is an act that has passed the test of time and we consider it needs to be built on rather than dismantled.

As I said earlier on, the Australian Democrats may very well give in to the government and give the second reading a tick. If they do, we will have to move amendments, and those amendments will seek to address some major significant flaws. Firstly, there is the question of whether or not the EPBC
legislation is an appropriate framework for heritage protection. We think it is not. We think that it is totally inappropriate that heritage protection be left subjected to the same deficiencies and inappropriate ministerial discretions that undermined the current EPBC legislation.

We have an ongoing agenda in respect of that legislation. I have spelt out the sorts of amendments that we would be looking at making to the legislation were we to win government. We will be moving some amendments at this stage of the debate to address issues relevant to heritage legislation, but the rest of the items that I have mentioned in the past are still ongoing commitments of Labor and they are commitments that we will pursue in government. There will be amendments, for instance, that ensure that the EPBC legislation does not affect the rights or interests of indigenous persons under native title legislation, amendments to allow for the assessment of impact on world heritage properties as well as values under the EPBC legislation—and the list goes on. Those amendments will be circulated.

We are concerned with what the legislation does with the Register of the National Estate. There are 13,000 places included in that register and the fate of those 13,000 places becomes more than uncertain if this legislation passes unamended, and 13,000 places is not a lot compared with the number in other developed countries. Many other countries go into the hundreds of thousands of places of heritage value. For a government to be pursuing legislation which renders the register totally ineffectual—makes it just a footnote to the legislation as opposed to a register which has some respect, moral authority and legal standing in the community—is not good enough for us. It fails the test of national leadership, and we will be moving amendments to try to restore the register to its status.

There is also the question of the Commonwealth list. The government is seeking to limit national legislation to affect only properties of national value. That is a definitional problem which, in itself, means that many places that are of local value but build up the whole concept of national heritage are removed from Commonwealth responsibility. There is also in this legislation a provision for a Commonwealth list of Commonwealth agencies. In this respect we note that the 1996 Commonwealth report by the Committee of Review—Commonwealth Owned Heritage Properties (the Schofield report) was indeed a comprehensive assessment of Commonwealth heritage management, but this legislation goes nowhere near implementing it to the extent that it should. Our amendments will go towards rectifying that as well.

There is a fundamental flaw in this legislation with respect to the assessment and listing processes. We believe it should not be up to the minister to make decisions as to the listing. We do not accept the concept proposed by the government in this legislation that makes the Heritage Commission more of an advisory council to the minister, removes its independence and statutory powers and basically makes it a talk shop to meet at the minister’s discretion and whim. We will be opposing that and moving amendments to try to redress it. We believe that the actual listing processes should be left with an independent commission, as is the case at the moment.

Regarding indigenous heritage, we have the government’s tried and true form replicated in this legislation. Whenever the government legislate with respect to indigenous Australians they do not have meaningful, bona fide consultation. They railroad the process, they ride roughshod over the rights of indigenous Australians and they come into this place with legislation which fails the test of consultation and of protection that indigenous people in this country deserve. We believe that there is a major failure with this legislation. It is inadequate. There has been a lack of consultation and the legislation disregards the recommendations of the Evatt report. We will be moving amendments seeking that a representative nominated by ATSIC be on the commission and that both this legislation and the Aboriginal and Torres Strait Islander Heritage Protection Bill be debated at the same time to ensure that nothing slips through the gaps. There are
other aspects of this legislation which we believe fail the test of adequacy and amendments will be circulated accordingly. As I said earlier, we do not believe this legislation deserves second reading approval. We believe it should not be considered in detail. However, if it does, our amendments will be quite extensive.

The first point I made was that this parliament has an opportunity in the Centenary of Federation to show some national leadership and implement legislation which protects Australia’s heritage, cherishes it and engenders community support for it. This legislation fails in that respect. The legislation is steeped in the ideology of the Prime Minister and the Minister for the Environment and Heritage, an ideology which basically says, ‘We will shed as much national responsibility as possible back to the states. We will ensure that the states have prime responsibility, financial and otherwise, for protecting matters which we believe should be of national importance.’ The Liberal Party’s regime is state based. The Labor Party believes in national leadership, particularly when it comes to the environment. So many of the environmental issues facing Australia require national leadership and international presentation of our position, which the states are in no position to pursue. This is one such issue. We oppose the motion that the bill be read a second time.

Senator ALLISON (Victoria) (11.25 a.m.)—The Environment and Heritage Legislation Amendment Bill (No. 2) 2000 [2001], the Australian Heritage Council Bill 2000 [2001] and the Australian Heritage Council (Consequential and Transitional Provisions) Bill 2000 [2001] propose a new regime for the protection of Australia’s historic, cultural, natural and indigenous heritage. The bills insert a new heritage protection regime into the existing Environment Protection and Biodiversity Conservation Act. They also make national heritage places another matter of ‘national environmental significance’. This will enable assessment under the EPBC Act to be triggered where any proposed action will have a significant impact on the national heritage values of a national heritage place. The bills also establish two new lists—the National Heritage List and the Commonwealth Heritage List—and set out the proposed processes for dealing with the nomination and placement as well as the removal of sites from these lists. Under the bills, the Australian Heritage Council will replace the existing independent statutory authority—the Australian Heritage Commission.

When Senator Campbell introduced this suite of bills into the parliament, he said that Australia’s heritage protection system needed strengthening. The Democrats agree with this statement. We are very supportive of some of the stronger protective mechanisms contained in the Environment and Heritage Legislation Amendment Bill, including provisions for the emergency listing of places under threat, the increased management planning of heritage places and more appropriate penalties. The fact of the matter is that the current laws for heritage protection in this country are inadequate. We take heritage protection far less seriously than do many other countries. The Australian Council of National Trusts agrees. In its recent report entitled Cinderella revisited: impoverishing Australia’s heritage, the trust asked:

How much real support is given to the fundamental role that history and heritage plays in Australia’s natural and cultural identity? And, as we celebrate Australia’s centenary of nationhood, just how safe is our nation’s heritage? Not safe at all, according to the Australian Council of National Trusts (ACNT), the peak body for Australia’s eight state and territory national trusts.

Last year, the Australian Council of National Trusts listed 31 places whose heritage values are endangered. I should add that the real figure is very much higher than this and that the National Trusts notional list provides only a glimpse of the dire state of so many of our heritage places. Those sites on the National Trusts list were chosen because of the immediacy of the threat, and that is caused by damage and destruction, neglect and abandonment, lack of resources and maintenance, inappropriate development and management, both to and around a place, and redevelopment. Seven of 31 places on the 2000 list were also on the 1999 list. All states had places on the list.
From my home state of Victoria, there are some six places on the National Trusts list, including No. 2 Goods Shed at the Docklands: a stunning example of Victoria’s 19th century railway heritage. It is under threat from plans to run the extension of Collins Street through the middle of it. The fact that the No. 2 Goods Shed is listed on the Register of the National Estate means very little. In fact, most sites on the national register have no effective protection other than from actions taken by the federal government and the general moral suasion afforded by listing. The litany of neglected, demolished or damaged sites suggests that that moral suasion is simply not enough. An audit of the condition of the National Estate carried out in 1997-98 found that, of the 174 places that had been assessed, 23 per cent of natural places and 12 per cent of historic places had declined in condition. Two Aboriginal sites had been largely or wholly destroyed.

The report on the condition of the National Estate list listed some of the sites demolished in 1999. These are: the Hotham Uniting Church in Flemington, Victoria; Bloods Cottage in Box Hill; the Kelvin Grove Road landscaped precinct; Old Boulder Golf Club House and Fimiston Fire Station in Boulder, Western Australia; and the Hotel Darwin and the Old Supreme Court in Darwin. Altogether, 12 sites on the register were lost in 1999-2000 because they were demolished or otherwise damaged. Over the last 25 years, 148 places had been removed from the register and 194 from the interim register. The places known to be lost are only those notified to the commission.

One of these, and one close to my heart, is the Missions to Seamen building in Port Melbourne, a very fine example of art deco architecture and one of the few mission buildings of its kind remaining in Victoria. It was demolished just because the developers of a very large site surrounding it were not prepared to include it in their planning. My electorate office is also in a building on the Register of the National Estate—Eastbourne House in East Melbourne. It is not under immediate threat, but it occupies prime real estate and I have absolutely no doubt that it would be economically attractive to pull this fine building down and to redevelop the site.

While the Democrats agree with the need to significantly strengthen Australia’s heritage protection legislation, we do not think these bills go far enough. In fact, if the government’s bills are passed without our amendments, then there is potential for heritage protection to be significantly weakened. We have listened very carefully to those who made submissions to the environment committee and I think the amendments that we will put during the committee stage will resolve the problems identified, strengthen Australia’s heritage regime and provide us with far better protection than we have today.

We are particularly troubled by the government’s attempt to gut the powers of the commission and to turn it purely into an advisory body without any substantive powers in its own right. In the words of the inaugural Chair of the Australian Heritage Commission, the bills represent an emasculation of the powers of the commission. We fail to appreciate why, having developed such a world class independent body working in the interests of Australia’s heritage, the government would move to dismantle it. How can the government justify stripping the commission of its powers when it has never been accused of abusing its powers? The Democrats say that the functions and powers of the commission ought to be increased in order to strengthen the protection of Australia’s heritage.

We are also concerned by the provision in the environment protection and biodiversity conservation amendment bill which gives the minister the power to make decisions on the listing of sites on the proposed national and Commonwealth lists. The Democrats firmly believe that the decision about whether to list a site should be a strictly technical decision separate from political and economic considerations. If heritage listing and protection is to have integrity, it should rely solely on the merits of listing. Listing should, therefore, be the responsibility of an independent body. Those appointed to the council should be of the highest calibre in terms of heritage experience and expertise. We have seen far too many political appointments with this and
previous governments on such boards. We think there is no place, either, for Commonwealth public servants on the council.

We are also greatly concerned by the proposed axing of the Register of the National Estate and the concomitant reduction in the Commonwealth’s involvement in the protection of Australia’s heritage. Under the government’s proposed plans, the Commonwealth will be responsible for the protection of an as yet unknown number of sites, said by some to be around 200, which would form the National Heritage list. This is considerably less than the 13,000 sites currently on the Register of the National Estate. We would argue that if it is just 200 sites they would be largely icon sites with no real medium or long-term threat to them. They would already have a very high level of protection, in fact. We believe that the Commonwealth government needs to play a far greater role in the protection of all sites on the register and not just concern itself with those few sites of national significance, however that is defined. We note that there are likely to be considerable difficulties in defining what is of national significance because places do not neatly fit into such categories of significance.

The register is an important part of Australia’s heritage protection, as there is no other register like it in Australia and nor is there ever likely to be. As was noted in the committee hearings, unlike the RNE, state regimes do not cover all categories of heritage—that is, indigenous, cultural, historic and natural. In our view, it would be a great pity if we were to lose this list, which represents 26 years of collaborative effort by all levels of government, communities and historians.

We also have strong concerns about the extent to which these bills provide for the long-term protection of indigenous heritage. We recognise that indigenous heritage includes both tangible and intangible heritage, such as dreaming paths and song lines, and that any regime that seeks to protect indigenous heritage cannot be limited to European notions of place. The Democrats believe that indigenous Australians should have control over the management and protection of their culture and heritage. We are, therefore, very concerned about the extent to which indigenous Australians have been involved in negotiations about the development of this new heritage regime. From the discussions we have had with indigenous people about the bills it appears that the answer to this question is: not very much. We think this situation is unacceptable.

We suggest that the government needs to look again at the recommendations made by the Hon. Elisabeth Evatt QC, who conducted a review of the Aboriginal and Torres Strait Islander Protection Act 1984, some seven years ago now. We note that one of the recommendations of the review was the establishment of an Aboriginal heritage protection agency and advisory council which would comprise a majority of indigenous people, and have a gender balance. We would like to see the government create such an agency and council to advise on the operation of both the Aboriginal and Torres Strait Islander Protection Act 1984 and the proposed heritage regime in the Environment Protection and Biodiversity Conservation Act.

The Democrats will move amendments to fix these and other problems. We will return the powers of the commission under the Australian Heritage Commission Act 1975 to give the new council more powers with respect to the development of common standards and benchmarks for heritage protection throughout Australia. We will give the council the power to make the final decision on listing. We will strengthen the level of expertise and experience required of prospective members of the Australian Heritage Council. We will ensure that at least one of the members of the Australian Heritage Council is an indigenous person, with a total of two members appointed for their substantial indigenous heritage experience and/or expertise.

We will ensure the implementation of the key recommendations of the Schofield report on the protection of Commonwealth owned heritage places. These include the requirement that heritage agencies maintain a heritage inventory of all heritage places under their control and that they develop and implement a heritage strategy for the manage-
ment of those places. We will also require greater protection of Commonwealth properties that are sold or leased by the Commonwealth by requiring an agreement to be entered into with the buyer or lessee for the purpose of protecting and conserving these places on the Commonwealth Heritage List. We will ensure that the Register of National Estate continues to be expanded and that sites on the register receive substantial protection.

Our amendments will provide all sites on the current Register of National Estate with the same level of protection as those on the national list until such time as they can be included in the state and territory lists and accredited under a bilateral agreement. However, we would like to see the Register of National Estate remain forever as a statutory list which includes all places of Australian heritage significance, including those that appear on state and territory lists as well as Australia’s world heritage listed sites. We believe that Commonwealth indigenous sites should always receive this higher level of protection. We also urge the government to take greater steps to ensure that indigenous people have control over the protection and management of their heritage. To this end, the government should immediately move to implement the recommendations of the Evatt report.

Before concluding my remarks I will comment on Senator Bolkus’s suggestion that the Democrats vote against this bill at second reading, on the basis that it would waste time to do otherwise. I find that notion extraordinary. We do not very often have an opportunity to examine an appropriate regime for heritage protection. The Australian Democrats see this as a great opportunity to produce a regime that has real teeth and that will protect our country’s heritage. To simply vote against this bill at second reading would deny Australians the opportunity to hear that debate and to see what the federal government can do. I am hopeful that our amendments will be accepted by the government, and that is certainly what we intend to see happen. We are also keen to see where the ALP stand on these issues, too. I look forward to seeing their vote on each amendment, and I hope that, if this bill is not passed in the Senate eventually, it means that under a Labor government we will see a better regime put into place.

The Australian Democrats feel that much more needs to be done to ensure that these bills strengthen the protection of Australia’s heritage. However, our amendments will make Australia’s heritage protection regime considerably stronger than it is currently. We will always take the opportunity to improve legislation in this place, and we will always take the opportunity to improve the current situation with regard to heritage protection. Our amendments seek to redress some of the worst aspects of the legislation and to build on the positive aspects. If the Labor Party is suggesting that there is nothing positive in this bill then that is being very misleading. I look forward to this debate and to the two major parties being persuaded by our arguments.

Senator EGGLESTON (Western Australia) (11.41 a.m.)—I am very pleased to have heard Senator Allison’s last remarks, because heritage is a very important matter to us all. It is very important to preserve our history and to preserve our past. Too often in recent times the buildings of heritage importance in Australia have not been protected and preserved. The Australian Heritage Council Bill 2000 [2001] will establish the heritage council, and it will do more to protect and preserve our heritage than the Australian Heritage Commission Act 1975 ever did. One can only praise the cooperative attitude of the Democrats, who are prepared to work through this legislation, to identify and support the good points in it and to have a constructive approach to the passage of the legislation. This contrasts with the very negative approach that the ALP—or the Australian lazy party, as Senator Kemp has named them—have towards this legislation. This approach was outlined in the first speech on this matter by Senator Bolkus today, when he urged that the legislation simply be defeated so that it not go on into the committee stage at all. That is a very negative, head-in-the-sand approach.

The new Commonwealth heritage legislation seeks to significantly enhance the con-
The preservation of Australia’s heritage places. It does so by establishing for the first time a truly national scheme for the conservation of our unique heritage assets. Australia is a young country and we do not have the kinds of heritage assets that countries like Greece or Egypt have, or even that the United Kingdom or the United States have. But we have places which are of historic and heritage importance in terms of our Australian experience. That includes not only the European Australian experience but also the indigenous Australian experience. It is very important that these places are preserved for the future and that they are not lost in the process of the further development of this country.

This new national scheme harnesses the strengths of our federation by providing for Commonwealth leadership in the matter of heritage preservation, while also respecting the roles of the states and of local governments in delivering the on-the-ground management of heritage places. This is done in accordance with the 1997 COAG agreement on the preservation of heritage buildings and other sites in Australia.

Senator Bolkus talked at great length about the previous act, and he seemed to think that it was near perfect. In fact, it has a lot of very serious flaws. One of its biggest flaws is that it needs simplification. Under the Australian Heritage Commission Act, there are something like 13,000 heritage places currently listed on the National Estate. Some of these are of national significance, no doubt. Senator Allison ran through a list of buildings which had been lost, but there are other buildings which are of national significance on the list of the National Estate, and it is very important that they are preserved under Commonwealth protection for the people of Australia as a whole. But many of the places on the National Estate list are only of local or state significance and, under a federal government system, as we have in this country, it should be the province of state and local government to look after those places, while the Commonwealth should be looking after sites which have national significance. Because there is no differentiation between local, state and national sites in the existing list of the National Estate, the Commonwealth is often involved in matters that are not appropriately the responsibility of a national government. The current regime therefore creates unnecessary intergovernmental duplication and imposes unnecessary costs on the community and industry in protecting these sites.

Another deficiency in the current act is that it does not provide adequate protection of sites. Under the existing Australian Heritage Commission Act, there is no substantive protection for any heritage places. That is a very big difference between the old act and the proposed new act which will, under the Environment Protection and Biodiversity Act, provide full protection of listed sites, because any heritage sites will be listed under the act as matters of national environmental significance and protected by the Environment Protection and Biodiversity Act with the full force of Commonwealth law.

The act, as it exists at the moment, does not contain any provisions requiring management plans to be prepared and it does not contain any penalties for damaging heritage sites. That means that the present act is very weak, because it does not have any provisions to ensure that heritage sites are protected. I think everybody in this community would agree in this day and age it is a vital thing in the national interests of Australia to protect and preserve sites which are important in the history of Australia. That is the issue the government is seeking to address with this Australian heritage council bill.

Senator Bolkus had a long list, and Senator Allison had a slightly shorter list, of people who were critical of the new act and who claimed that it would not address the issues which need to be addressed. But the Australian Heritage Council Act does have a pretty impressive list of protective measures for heritage sites in Australia. As I have said, the proposed legislation will provide protection of sites, which was not done under the Australian Heritage Commission Act and has never been done before. There will be direct and early Commonwealth involvement in the protection of sites which are put forward as sites to be protected under Commonwealth heritage legislation. Management plans are
provided for under the proposed act which, as I said, were not provided for before, and this will mean that there is a guarantee that heritage sites will be properly looked after in the interests of all the people of Australia.

One of Senator Bolkus’s and Senator Allisson’s criticisms was that the existing list of the National Estate would not be maintained. That is not true. The Register of the National Estate, which is the register of heritage places prepared by the Commonwealth over the last 25 years, will be protected. It will be retained as a non-statutory database for the benefit of the Australian community. That is very important because I know, having been in local government, that local governments all over Australia participated in the development of the list of places which were included in the list of the National Estate. It meant that all sorts of little places in many communities around Australia which might not have been listed and recognised as having heritage value in terms of local history were placed on the list. That is a very valuable list. It is an important resource for the Australian community and it is quite irresponsible of the ALP to be suggesting that the register will not be retained.

The other way in which the ALP is misleading the community over this proposed act is by saying that places which are currently on the Register of the National Estate could face demolition under the Howard government’s proposed new laws and that heritage protection orders might be lifted under the new act.

Senator McLucas—They are not going to be on the register.

Senator EGGLESTON—That is just absolute nonsense. As I said, the ALP is misleading the community by making those sorts of allegations and claims. The existing federal heritage regime provides no protection at all for any heritage place in Australia. Under the existing laws, there are no protection orders that can be made and there is nothing preventing the demolition of any heritage place listed on the National Estate. Accordingly, the proposed reforms do not remove any existing protection, because there is none. The proposed new laws provide substantial protection for places of true national significance for the first time in our history. It is an important gain for the Australian people that places of genuine national heritage significance will be protected under the environment and biodiversity laws.

Under the new act, there will be an advisory panel of recognised experts in the field of heritage. These people will have a great deal of knowledge and expertise in many fields, and it will include people with experience and knowledge of indigenous affairs who will advise the minister on the protection of indigenous heritage sites. The new heritage advisory panel will be a stronger body than the existing one that the commission has to advise it on matters of national heritage significance. This will greatly strengthen the protection of places of heritage significance for the Australian people. One can only conclude that Senator Bolkus was being very unfair in his criticism of this legislation. Even he must recognise the advantages that it will provide in terms of the protection of sites of great national heritage significance. It is very hard to understand why Senator Bolkus should be so critical when it is so obvious that this legislation will be of such great benefit in terms of the protection of Australian heritage sites.

This legislation, like the environment and biodiversity act, will provide for the Commonwealth to recognise efficient and timely state assessment processes of heritage sites that meet Commonwealth standards and can be accepted for the national list without any further Commonwealth assessment, thus eliminating unnecessary duplication in the assessment process. The new legislation will also provide that, when the Commonwealth sells land containing a listed heritage place, the sale should be subject to a covenant that ensures ongoing protection for heritage values not provided for in the existing legislation. So, in many ways, this legislation is a very big step forward for the Australian community. I think it will be welcomed throughout this country as providing a sound basis of protection of our national heritage.

Senator Allison and Senator Bolkus have both been somewhat critical in their comments of the coalition government’s approach to indigenous heritage sites. The coa-
tion has a very good record in terms of recognising the importance of indigenous culture in this country. The ALP in particular takes great pleasure in criticising the policies of the coalition in relation to indigenous people. However, if one looks at the history of the way federal governments have dealt with the indigenous community in the years since the mid-seventies, one finds that it is coalition governments which have the runs on the board, not the ALP. The ALP has promised a lot but delivered very little to indigenous people. If one goes back to the mid-seventies, it was Malcolm Fraser’s government which began buying stations for indigenous people so that they could return to their land and live as Aboriginal communities on that land. That was a very practical way of solving the problem of the fringe dwellers in the towns around Australia, particularly in the north of Australia and in the more remote parts of Australia.

The Aboriginal communities in those towns had developed because Aboriginal people had been forced off the stations when they were given equal pay as stockmen. They were living as fringe dwellers on the edges of these towns in regional Australia, and a great number of social problems developed. It was a Liberal government, under Malcolm Fraser, that solved the problem by buying up stations, which enabled Aboriginal people to return to their own lands, to live in their own way, in a communal lifestyle, on those properties. It has been the coalition, in successive budgets, which has provided absolutely outstanding support for Aborigines in terms of health, housing, education and, more importantly, recently in terms of indigenous employment programs.

The coalition has a very good record in terms of indigenous affairs in a general sense. Only a few weeks ago, the senior minister for the arts, Senator Richard Alston, was in the Kimberley where he opened a $750,000 arts centre at Balgo on the Western Australia border just south of Halls Creek. The Commonwealth provided the full funding for the centre. Balgo produces the most outstanding Aboriginal art in Australia. The arts centre is a tribute to the support that the coalition government has given to the facilitation of Aboriginal art. I think the criticisms of Senator Allison and Senator Bolkus that indigenous heritage will not be protected under this new heritage council are very misplaced. Their fears are not consistent with the record of the coalition government. This is an excellent piece of legislation. It will protect the heritage of Australia, and I commend it to the Senate.

Senator McLUCAS (Queensland) (Midday)—The three bills before us today—the Environment and Heritage Legislation Amendment Bill 2000, the Australian Heritage Council Bill 2000 [2001] and the Australian Heritage Council (Consequential and Transitional Provisions) Bill 2000 [2001]—together represent the government’s attempt to update the management and protection of heritage in Australia. It is appropriate that in the Centenary of Federation year the Senate has before it heritage legislation. It was because of our shared heritage that this parliament was formed a hundred years ago. This heritage holds us together today and should continue to do so into the future.

The federal government has a responsibility to the Australian people to protect our natural, cultural and historical heritage. The federal government has a responsibility to protect our nation’s foundations. But the legislation before us today does nothing to strengthen heritage protection. It does nothing to improve management of heritage places. At a minimum, in the year of the Centenary of Federation, it should strengthen protection for the heritage of Aboriginal and Torres Strait Islander people—the group that was left out at Federation.

Strengthening heritage protection and management, however, requires the federal government to take a leadership role in heritage protection. It requires legislation that establishes national heritage standards. It requires legislation that leads to an all of government approach to heritage protection. Instead, this legislation winds back 25 years of Australian heritage protection. It abolishes the Australian Heritage Commission and the Register of the National Estate. Destroying the AHC and the RNE effectively hands heritage protection back to the states. This Howard government heritage model will
destroy protection at the federal level and politicise what protection is left.

It is clear that there does need to be a review of the existing legislation. However, the government’s philosophical approach to heritage protection is flawed. These bills are another example of the lack of vision the Howard government has for Australia. Economic rationalists like John Howard cannot put a dollar figure on heritage places, so they cannot value them.

Coming from Far North Queensland, I understand the value of heritage. Living in Cairns, I am surrounded by the wet tropics and the Great Barrier Reef Marine Park. I live on the doorstep of one of the world’s last great environmental and cultural heritage areas: Cape York Peninsula. There are nearly 300 sites in North Queensland alone on the Register of the National Estate—historical, natural and indigenous. Some examples in the seat of Leichhardt are icons, not just for North Queenslanders but also for all Australians.

Senator McGauran—The Tree of Knowledge.

Senator McLUCAS—You do not know your boundaries, comrade. These icons include the HMS Pandora shipwreck, the Quinkan country at Laura and the Weipa shell mounds. In Kennedy, we are talking about courthouses and lighthouses, the Mackay War Memorial, the Gottenburg shipwreck and the Slade Point wetlands. Even the landmark of Castle Hill in the Herbert electorate is on the Register of the National Estate.

Cairns, where I live, has an economy dependent on these heritage places. The tourism industry is the major service industry in Far North Queensland. It enables people from all over the world to visit and enjoy these places. The tourism industry demands proper protection for Australia’s heritage.

The existing Australian Heritage Commission Act, a Whitlam Labor government initiative, was passed in 1975. It represented a significant milestone in the identification, recognition, protection and management of Australia’s heritage—the National Estate. It has been regarded as setting an international standard for the protection of heritage and heritage places. This legislation established the Australian Heritage Commission, an independent statutory authority, and the Register of the National Estate. In the last 25 years, both of these national institutions have gained the support and respect of an enormous number of Australians. Indeed, the Senate inquiry into the legislation heard submissions from many individuals and organisations praising the achievements of the commission and emphasising the importance of the register.

The AHC comprises eight commissioners and a chairperson, and they represent a wide and varied skills base. Importantly, being a statutory authority, it can operate independently of government and it makes decisions on technical grounds, not on a political basis. The functions of the AHC are set out in section 7 of the existing Australian Heritage Commission Act 1975. They include setting out policy and direction in relation to heritage protection, the establishment of the Register of the National Estate and the identification of places for inclusion on the register. The AHC also manages a heritage grants program and performs a range of other functions.

The Register of the National Estate is recognised as the pre-eminent heritage list in Australia. As the Victorian government explained to the Senate inquiry: While offering little or no statutory protection for a vast number of sites contained within it, the RNE has, for many in the community, offered the definitive inventory of Australian heritage places, regardless of their level of significance.

The register currently comprises over 13,000 listed places. They fall within the following categories: there are approximately 2,000 places with natural heritage value, just over 900 places are listed as having indigenous values, and nearly 10,000 places on the register have historical values. The proposed legislation puts these sites at risk. In fact, most of these sites will no longer be registered with the Register of the National Estate.
This legislation abolishes the Australian Heritage Commission and replaces it with the Australian Heritage Council. We do not know how this council will function. What technical support will it receive? We do know that it will be a council with no real authority, a council that can only give advice. The Australian National Trust has even suggested that this council could become inactive and that this council might not even sit. The Senate inquiry heard of a similar committee, the Victorian Environmental Advisory Committee, that had not sat for four years—for four years! The ministers, in their wisdom, decided that they could do without that advice. So we have the world renowned Australian Heritage Commission to be replaced by a potentially inactive committee as a result of this bill. We will almost certainly have increased political intervention in heritage assessment.

This proposed legislation abolishes not only the AHC but also the Register of the National Estate. In its place it establishes two lists, the National Heritage List and the Commonwealth Heritage List. However, we do not know what is going to be on these lists. We do know that they will be smaller and we do know that the minister will decide what is to be listed. Currently, places on the register that do not make it onto the National Heritage List or the Commonwealth Heritage List will either lose all heritage listing or have to rely on state and territory listing for protection. In effect, there will be no comprehensive list of Australian heritage places. I am astounded by the logic of this approach—and I am not the only one. Dr Barry Jones, who was representing the Australia International Council on Monuments and Sites at the inquiry, said:

In our view the legislation is fatally flawed because it has the wrong model. It sees ... heritage legislation as being an extension of environment protection and biodiversity conservation. These are admirable things in their own right and while they are absolutely appropriate for something like the Great Barrier Reef for example, it is hard to see how they apply to the Sydney Opera House.

The EPBC allows the federal environment minister the ability to hand back to the states the responsibility for environmental issues of national environmental significance. All the hard won gains in environmental protection at the Commonwealth level of the last few decades can be thrown away. Labor have indicated on a number of occasions that in government we will subject the EPBC to large-scale review to re-establish national leadership and ensure the protection of our natural and cultural estate.

This proposed legislation provides an unclear future for over 13,000 places currently listed on the Register of the National Estate. It will replace the AHC with a system of protection that protects only an elite list of Commonwealth places and only those deemed to be of national significance. Professor Yencken, the foundation Chair of the Australian Heritage Commission, speaking to the Senate inquiry, said:

The Register of the National Estate represents a remarkable collective effort around Australia, which stems from federal government, state governments, territory governments, local governments, and all kinds of community bodies. I think it is a very significant effort to have produced that register.

In my own state of Queensland, the future protection of over 1,100 places is now at risk. Who knows which ones of those will be lucky enough to make it onto the National Heritage List? As I stated earlier, there are nearly 300 sites in North Queensland: historical, natural, and of heritage value to Aboriginal and Torres Strait Islander people. Can the government provide some assurance as to the fate of these places? Unfortunately, we know the answer, and it is no.

We recognise that heritage places under the current register have only minimal protection, but with the many thousands of sites being removed from the list they will have no protection at all. Professor Mulvaney, who was also representing ICOMOS at the inquiry, when commenting on the level of protection provided by the existing legislation, said:

The Register of the National Estate, it may not have a legal bind in many cases but it has a moral pressure, and there is no question that a place that is on the Register of the National Estate has more pulling power, if you like, than a place that is on a state site. The other point I would make is that not all states at the moment are equal in their attitude to heritage. Not all their legislation is equal, and I
would be gravely concerned about Aboriginal places in some states.

Labor believe that the new legislation will dramatically alter the Commonwealth’s role in heritage conservation. It is firmly the view of the Labor Party that any changes to Commonwealth heritage legislation must strengthen and not diminish the existing legislation.

The Senate was established at Federation to ensure fairness. It was established so that the small states had an equal voice around the nation’s table. The Senate has a history of protecting the weakest in the community. It has a track record of ensuring that we live in a fairer society by protecting small interests from large. Heritage debates often pit small interest groups against large developers. In these situations the heritage process can become politicised. It is critical therefore that decisions are based on technical merit rather than political expediency. This legislation, however, effectively politicises this process by abolishing the statutory Australian Heritage Commission and replacing it with the advisory Australian Heritage Council. This legislation is all about the minister looking after his white shoe brigade—the big end of town. If the current legislation is passed, then only places that the minister thinks have heritage significance will be listed.

This type of approach is symbolic of this government. We have seen them destroy independent committees in Health and Aged Care. They do not like any advice that they cannot agree with, so they appoint their mates to the so-called independent committees. The government’s Aged Care Standards Advisory Committee, appointed by Mrs Bishop, is more like the quorum of a North Shore Liberal Party branch meeting than an advisory committee. I recall that the members include Mr Lang, who is Mrs Bishop’s campaign manager and president of her electorate council, Mr James Longley, a former state Liberal MP for the seat of Pittwater, and Mr James Harrowell, a long-time friend of the minister with no recognised experience in aged care. Mrs Bishop has also appointed Mr Rob Knowles, a former state Liberal minister, as complaints commissioner, so you have a friend of hers to talk to if you are not happy with the work of the standards agency. The minister for health, Dr Woolridge, has made a number of similar appointments, including to the PBAC Mr Pat Clear, a man with 30 years experience as an industry lobbyist who now decides what medicines should be subsidised.

Senator Tierney—Mr Acting Deputy President, I rise on a point of order relating to relevance. We are discussing the Environment and Heritage Legislation Amendment Bill (No. 2) 2000 [2001]. Senator McLucas is now wandering off to talk about a whole lot of appointments in a whole range of government areas. I cannot see any relevance to this bill in her comments.

The ACTING DEPUTY PRESIDENT (Senator Hogg)—Senator McLucas, you should make your comments relevant to the bill and draw your comments back to the bill currently before the chair.

Senator McLucas—The relevance of my comments will become clear very shortly to Senator Tierney. I also advise the Senate that we should remember that Jeff Kennett was recently appointed, without advertisement, to the Beyond Blue depression initiative, at a rate of $1,900 a day. Returning to heritage issues, Mr Peter King, the current Chair of the Australian Heritage Commission, was clearly a political appointment. He is now the preselected Liberal candidate for the seat of Wentworth, and one might believe that he is already acting as the member for that electorate. On ABC radio on 11 July, he said:

I’m certainly working very, very hard to ensure that the continued Liberal representation in Wentworth is maintained. I’m certainly getting an awful lot of queries from local people and dealing with them on a day-to-day basis. I can say this: Mr Thomson has encouraged me to work very hard to do the work that he’s been doing and to do it to the nth degree for the people of Wentworth.

Mr Peter King really must resign from his position as Chair of the Australian Heritage Commission. It is the height of arrogance that the minister cannot see the conflict of interest in the current appointment. I hear regularly from the community that Senator Hill is arrogant. I do not like agreeing with the National Party but, unfortunately, they
This heritage legislation is yet another example of Senator Hill’s arrogance. On current form, well-known members of the white shoe brigade would make up the Australian Heritage Commission. Mr George Quaid might be a good example or Mr Keith Williams. They would be prime candidates for future Heritage Council positions. Mr Quaid, as people know, is well known for his activity subdividing the Daintree and Mr Williams is well known for his development at Port Hinchinbrook.

The stakes are high with this legislation, because once a heritage place is lost we cannot bring it back. We cannot bring back the Bellevue Hotel in Brisbane, or Cloudland. Currently, anybody can recommend that a place be considered for heritage listing. You can be from the Torres Strait, Townsville, Broome, Sydney or Melbourne. You can expect your application to be looked at on its merits by an independent authority. Under the new legislation, the minister does not even have to forward your request to the National Heritage Council.

Any practical person understands that heritage listing needs to be based on technical merit. A witness from the National Environmental Defender’s Office Network noted in the inquiry:

I think it is fair to say that these amendments give the bulk of the powers to the minister. Our concern is that this may not be the healthiest recipe for heritage protection into the future. Heritage in some sense is a political issue, but primarily it should be a technical issue: Does this have a cultural aesthetic value to the community? Heritage can be very prone to political pressure and political mood swings, and there is a sense that it needs to be raised above that.

I would like to talk briefly about the implications of these bills for indigenous heritage protection. There is currently other legislation before the parliament—the Aboriginal and Torres Strait Islander Heritage Protection Bill 1998. This legislation was substantially amended in the Senate to ensure that indigenous heritage is protected. The government, however, threw away those amendments in the House. Since then, the minister has spent 18 months consulting with indigenous groups and representatives. They reached agreement on a set of amendments at the end of the last session of parliament and had the support of the Labor Party. However, on the personal intervention of the Prime Minister, those amendments were not presented to parliament for consideration. The legislation now appears to be in limbo and yet it is integral to the bills we are debating today.

ATSIC has raised with us concerns about the lack of consultation with indigenous groups about the bills we are dealing with today and how they relate to the indigenous heritage bill. Labor also has had concerns about how the two fit together to ensure that indigenous heritage places are protected. These bills must be considered together to ensure that indigenous heritage is protected into the future. As Senator Bolkus has said, the Labor Party will oppose the proposed heritage legislation at the second reading.

Senator TIERNEY (New South Wales) (12.20 p.m.)—I believe we are debating the Environment and Heritage Legislation Amendment Bill (No. 2) 2000 [2001], the Australian Heritage Council Bill 2000 [2001] and the Australian Heritage Council (Consequential and Transitional Provisions) Bill 2000 [2001]. Listening to the ramblings of Senators Bolkus and Allison and particularly those of Senator McLucas, I was just wondering if that was what we were debating. Senator McLucas wandered over a whole range of matters to do with appointments here, there and everywhere and attacked an excellent protector of heritage, namely, Peter King, the current Chair of the Australian Heritage Commission. Senator Bolkus did a similar thing. I would, therefore, just like to place on record the excellent work on heritage of Peter King. It is terrific that he is now
coming into the parliament. It will be a great thing for heritage that someone of Peter King’s enormous expertise and experience—particularly that gained during his excellent five years as Chair of the Heritage Commission—will be in this place to help guide us through the future of heritage policy.

We certainly will need that if, unfortunately, the Labor Party become the next government, because I was listening to their contribution, trying to figure out the Labor Party’s policy on heritage for the next government—the budget and the legislative framework that they would provide. Apart from referring back to a very outdated act—the 1975 act, which this current bill will replace—they seem to actually give it a huge amount of credence in terms of its possibility to protect heritage. Unfortunately, that is not the case and, during my contribution, I want to go into some detail as to exactly what is wrong with the current act and why we are creating a new act that is more in line with the needs of the 21st century.

I was deputy chair of the inquiry into heritage. We took evidence from around Australia and we had some very good contributions. That was helpful in shaping the bill and shaping the direction. I cannot recall Senator McLucas attending any of the hearings, but Senator Bolkus and Senator Allison were certainly there. We brought down a major report in May this year after considering a number of written submissions and oral evidence provided to the committee on where we should be heading in this whole area of heritage.

A lot of the people who appeared before us wanted the national government to take total control of heritage. They thought that all 13,000 sites should be protected by the Commonwealth government. They thought that all heritage work should be fully funded—and, in an ideal world of unlimited budgets, I suppose that is terrific—but what we find in government is that it is always a matter of balance. People always want the road systems fixed, hospital queues shortened and more money for schools and for the Defence Force. They also seem to want to pay lower taxes. So the very difficult job of government is to balance priorities and to put in place what is, given the budget, the most effective regime for the protection of Australia’s heritage. I think we have a fine record in this country for doing so. We must remember that our involvement as a Commonwealth parliament has been relatively recent—it is only since 1975 that there has been a National Heritage Act—and that for the last 25 years we have taken a role in this area in conjunction with the states, which have had the primary responsibility for heritage.

So the question is: in a 21st century regime, what is the appropriate role of the Commonwealth in this area? What things should the Commonwealth be involved in and what should we leave to the states? What is the best way to coordinate the state-federal approach to get the best outcomes for the environment? Given that it is a 21st century act, what is our role, not just in the built environment but also in the natural environment and the indigenous heritage environment? They are the questions the committee considered. We did not get a unanimous report, and I want to turn to some of the points of the report a little later on.

First of all, I want to deal with what is wrong with the current act—the problems with the act as it exists. I think I need to put that on the record because Senator McLucas, in particular, was waxing lyrical about what a great protection it was for the environment. I presume, given the absence of any policy from the ALP, that she would like to see the continuation of that act. That would be most inappropriate; the reason for the new act is the shortcomings of the previous act. I then want to go into some of the strengths of the new act and the way in which it will help protect the natural, built and Aboriginal cultural environments and then to pick up on a few of the key points relating to the finer points of this act that came out in discussion when the Senate committee considered these matters.

I will start by looking at the current regime and its problems. As I indicated before, 13,000 heritage places are quite a challenge. Recently, I was at one of these heritage places in Maitland. We provided money for assistance in the renovation of this beautiful
old 19th century home. It is now a public facility in heritage, and we restored it back to its 19th century condition. Some of the difficulties that you face in these sorts of situations occur because of the nature of what is required to get a building back to its 19th century condition. The people concerned had a budget and they worked out how to spend it, but part of the budget was to be used to change the front verandah. When they started to change it—to pull out parts of a building well over 100 years old—they discovered that all sorts of other work had to be carried out and extra money had to be spent. They did run out of budget and they do not have enough money in what was provided for them at that time to complete the job, although they have done an excellent job to date. What do we do in that case? Do we provide them with extra money? Consider the 13,000 heritage sites in the country—this one was very much of national significance. The point is that there is a limit to what the Commonwealth government can do. When we were considering this matter there were great differences in the evidence we were given about what is the appropriate role of the federal government, state government and local government.

In 1975, when the AHC Act came in, we saw for the first time a role for the Commonwealth parliament. The act was quite visionary for its time, but it does have a number of deficiencies, which we must now try and correct. What we have discovered over the last 25 years with these 13,000 sites is that the Commonwealth is often involved in matters that are not appropriately the responsibility of the national government. The current regime creates unnecessary intergovernmental duplication and imposes unnecessary costs on the community and industry. In any event, the AHC Act provides no substantive protection for any heritage place. Let me repeat that point: the current act does not provide any substantive protection for any heritage place.

So having Senator McLucas wax lyrical about this act and say that, if we change it, that will take away protection is just absolute nonsense, because there is no protection there. That is one of the reasons why we need to change the current act—so that it provides a higher level of protection. It only contains limited procedural safeguards that apply to some actions affecting heritage. These limited procedural safeguards in the act fall well short of contemporary best practice in heritage conservation. I would like to emphasise that point: contemporary best practice. The act that Senator McLucas wants us to haul back to is now 26 years old. It is not up to contemporary practice. Hence the need for this bill. The procedural safeguards in the act—and this gets a little bit worse—are only initiated by indirect triggers, such as foreign investment approvals. This results in uncertainty and delay for proponents and other stakeholders.

The current act does not contain any provisions requiring management plans to be prepared or any penalties for damage to heritage places. So much for an act that Senator McLucas says provides so much protection—no management plans and no penalties. Surely there must be a need for this, and surely the opposition must agree that this new act provides a much better basis for heritage than one that is so lacking in such provisions. The AHC Act does not provide for a statutory public nomination process. It therefore lacks transparency and fails to provide for adequate public input into listing decisions.

Let us move on to the new act and the way in which it changes things. In making these comments, I would like to place on record a correction to the way in which this legislation was portrayed by the three opposition speakers. Let us get to the essence of what is in the new act and the advantage of this new regime. There will be a new list established of places of truly national heritage significance—this will list natural, historic and indigenous places that are of outstanding national heritage significance—that is, to the nation as a whole. We are coming up with a national approach for nationally significant sites.

Every country has to do this. Perhaps the challenge facing us is a little bit less than that facing countries like the UK. You can imagine the United Kingdom, with their thousands of years of heritage, dealing with
questions of what you preserve and what you do not preserve and how much money you put into protecting crumbling and falling down castles that are over 600 years old. It is a real problem in countries like the United Kingdom. In Australia we do not have quite that extensive a problem. Our built environment, which was the major focus initially at the federal level, is certainly a lot more recent but, as I mentioned in the Maitland example, buildings of 100 years old or so still create a significant challenge.

For the first time, with this new act, we have substantive protection provided for places on this new national list. The existing Register of the National Estate, which identifies the 13,000 places that I mentioned before, will be retained as a non-statutory register. The new regime will contain an open and transparent process for assessing heritage places for inclusion in the national list, including a public nomination process. The assessment of heritage significance will be carried out by an independent body of heritage experts—the Australian Heritage Council—established under its own legislation. The new legislation will contain provisions requiring proper management of listed places through management plans—something that did not exist before will now exist. Those management plans should be welcomed by the opposition, but I did not hear much of that today.

The new regime will also contain assessment and approval processes for action that may have a significant impact on the national heritage place. The process will be efficient and timely. State assessment processes that meet Commonwealth standards can be accredited, ensuring no unnecessary duplication. This was one of the things bedevilling this area of government—the fact that heritage used to be totally a state preserve, and of course they had their own laws and applied these things unevenly across the country. On top of that, 26 years ago we brought in a national system. You therefore get duplication and overlap.

One thing that this new act does very well is sort a lot of that out. If the states have accreditation processes and management plans, it is just a matter of the federal government accrediting those and ensuring there is no unnecessary duplication between the different levels of government. One important provision in the new legislation is that when the Commonwealth sells land containing a listed heritage place the sale will be subject to a covenant ensuring ongoing protection of heritage values. But to listen to the opposition speakers, particularly Senator McLucas, you would think that there was no protection at all. That is a nonsense; it is actually in the new legislation.

I want to finally touch on four of the key issues that the Senate Environment, Communications, Information Technology and the Arts References Committee, of which I was deputy chair, did actually consider. The first relates to the Australian Heritage Council's composition and function. The government senators considered that there may be grounds for amending proposed section 5 of this council bill to allow AHC a more proactive role in terms of public education and the promotion of heritage conservation. We do not necessarily see this new act as being set in concrete. There are some things on the edges of the new act that we believe could be adjusted over time, particularly in relation to this proactive role.

The second matter concerns the future role of the Register of the National Estate. We do not agree with the need to maintain the RNE as a statutory list in addition to the proposed national and Commonwealth lists. The bills are premised on a particular allocation of roles between the Commonwealth and the states and territories, and that was based on extensive negotiations leading to the Council of Australian Governments, COAG. For the Commonwealth to maintain a list of heritage places—not directly the responsibility of the Commonwealth—as distinct from a coordinated combined register like the NHPRI, would be to defeat the purpose of the bill.

The third specific matter I want to mention is protection in those situations where there is a sale or lease of the site. The government senators on the committee did not agree with the opposition that there was a need for additional administrative measures to protect properties for sale or disposal, be-
cause the bill does provide a mechanism for covenants for protecting heritage values.

The final matter is the transparency of the process, which I think is a significant addition in this legislation. The government senators endorsed the comments of the main report relating to the transparency process but noted that the government will seek public comment on the draft heritage management principles and criteria when they are finalised. In general, the bills do provide for a very high level of transparency and accountability—the opportunity for public participation and comment is greater than for any comparable legislation—and certainly represent a significant advance over the Australian Heritage Commission Act 1975.

So here we have a bill that is designed for the 21st century, not for halfway through the 20th century. It is a bill that recognises that the Commonwealth government cannot do everything, that the Commonwealth government should focus on areas of national significance. It also recognises that in the protection of heritage you are talking about natural heritage, built heritage and indigenous heritage. It brings about a proper distribution of authority between the federal, state and local levels of government.

Senator BROWN (Tasmania) (12.40 p.m.)—I will be opposing the second reading of the Environment and Heritage Legislation Amendment Bill (No. 2) 2000 [2001], the Australian Heritage Council Bill 2000 [2001] and the Australian Heritage Council (Consequential and Transitional Provisions) Bill 2000 [2001] for reasons which are very consistent with those that Senator Bolkus put forward for the Labor Party. I note that the Democrats will be looking to amend the bill and will, presumably, base their vote on that. I would put a caution to the Democrats on that score. I just listened to the previous speaker from the government saying that some things on the edges could be changed. That is the trap: in the coming week or two the Democrats may be drawn into coming up with a very unsatisfactory compromise with the government and be cajoled into thinking that we will put this legislation through ‘slightly improved at the edges’, to quote Senator Tierney, because if we do not it will be worse than doing nothing. That is a perennial trap when it comes to the environment.

The Australian Heritage Commission was established in the 1970s in the wake of the furore over the destruction of Lake Pedder. The Whitlam government came to office and found that the states basically had power over the fate of Australia’s heritage and that there was a need for some overview of this at national level and also for powers to intervene where the national interest was at stake, and that is why the Australian Heritage Commission was established. It was found, of course, in the case of Lake Pedder that the Liberal and Labor governments in Tasmania had moved to destroy something of inestimable value, of world heritage significance, including a national park, and that the Commonwealth had left it too late and believed that it had too few powers to intervene directly.

That situation should never again occur. But it can occur under this legislation here. This legislation is taking us back 30 years. The basis of the legislation, as the government speakers have put it, is to reinvest the powers over national heritage in the states. We just have to look at the list of 13,000 places on the national heritage register now and see the estimates of that being reduced to between 50 and, as I think Senator Allison said, 200 places which are iconic, and which nobody would dare touch, to recognise that what the government wants to do is place a very restricted list of places—from the Great Barrier Reef to, presumably, the Opera House and maybe even this place—on a list knowing that they are going to have very little difficulty defending that. But the contentious places of national significance, including the built heritage and indigenous heritage, will be left off the list, and I am certainly not going to support that.

I am indebted to the Australian Conservation Foundation for a short list of the weaknesses in this legislation. They are, firstly, that the national heritage list is compiled by the minister and not an independent body any more, and there is no public input to that. Secondly, the existing heritage list, the Register of the National Estate, ceases to have
any statutory meaning—that saves 13,000 places. Thirdly, the scope and size of the new heritage list is unknown and could be as small as 50 places, and the criteria for this have not been released. They ought to be in this debate. We should see what the list is going to be at the outset. Fourthly, the definition of what is an action is considerably reduced from its meaning under the existing Australian Heritage Commission Act. This stems from restrictions similar to those that apply under the EPBC Act. Next, the threshold test is one of significant impact on values and does not require consideration of prudent and feasible alternatives—a very important oversight. Finally, and of course very tellingly, regional forest areas are excluded.

I cannot in any conscience support legislation like that. It is not going to be fixed up by the government. I would ask the Democrats to think again and to vote down this legislation and require the government to come back with something that has got teeth, enhances the current situation and does not derogate the current situation in dismantling the Australian Heritage Commission.

The ACTING DEPUTY PRESIDENT (Senator Bartlett)—Order! It being 12.45 p.m., debate on these bills is adjourned.

TRADE MARKS AND OTHER LEGISLATION AMENDMENT BILL 2001
Second Reading

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

That this bill be now read a second time.

Senator SCHACHT (South Australia) (12.45 p.m.)—On behalf of the opposition and the shadow minister for science, my colleague Mr Evans in the other place, I rise to indicate that the opposition will support the Trade Marks and Other Legislation Amendment Bill 2001. It is not a major bill, but it is a useful amendment to the processes of the Trade Marks Office. I have a particular interest in this in that, when I was a minister in the industry portfolio, I was responsible for AIPO—the Australian Intellectual Property Office, as it was then called—now IP Australia, which covered trade marks. I note that in the material before us mention is made of the major rewrite of the Trade Marks Act 1995, which was carried out while I was minister and, I think, is a significant improvement in the operation of trade marks. That bill was drawn up and was carried through the parliament without controversy. There had been lengthy consultation at that time with those aficionados who have a particular interest in trade marks legislation. It is an arcane world of a limited number of lawyers and others but an extremely important area for the conduct of industry in Australia, in that you need to have simple, transparent arrangements for trade marks.

I note that this legislation is a result of further discussion and review of the operation of the act since it came into force on 1 January 1996. The bill repeals section 158 of the Trade Marks Act. This provision presently makes it a strict liability criminal offence for a Trade Marks Office employee to prepare or help prepare a document to be filed under the act or to search the Trade Marks Office records unless specifically authorised to do so. Its operation could prevent a Trade Marks Office employee from helping a person fill in their trade mark application or assisting them with a search of the trade marks database. The repeal will enable the Trade Marks Office to consider new and innovative ways to improve its customer service.

From my recollection as the minister responsible for this area, it was clear to me even then that the skill level, institutional memory and knowledge of the staff of the Trade Marks Office and the Patents Office were actually a major asset that should be available to help develop industry in this country. There are probably more PhDs sitting in IP Australia offices than in any other area in Canberra, with the possible exception, I suppose, of some research centre in Defence. People were recruited because of their high technical and intellectual skill and were people at the cutting edge of new technology and new ideas. It always seemed to me that they should be helping to identify those patents and new ideas being registered to assist in their commercialisation. This bill in the trade marks area to some extent does that. This is a very innovative step and we
should encourage that proactive arrangement.

In no way, of course, should an officer be able to play favourites and provide inside information to the detriment of other people who have registered a trade mark or patent—you have to get the balance right. I understand that the previous balance was very much aimed at ensuring that there was no so-called skulduggery or inside information, but in effect it reduced the ability of the Trade Marks Office to be proactive in providing assistance to develop industry.

There will always be disputes and complaints in the trade marks area. I remember on one occasion as minister finding that there was a dispute between two retailers in Brisbane over who had the right to use a trade mark on a particular clothing brand from overseas. The dispute ended up with Customs being asked to go in and seize a lot of product. We actually changed the law after that to make sure that judicial warrants would have to be granted before someone could go in and seize $100,000 worth of a business’s product and take it away and store it until the matter was settled. As it turned out, there was a dispute that was still before the court over who had access to the trade mark.

It is an area of considerable sensitivity and it is an area that can lead to major commercial dispute, which means millions of dollars worth of business can be at stake. So, although this bill is minor in the sense of the amendment that it makes, it is dealing with an industry structure that we have in our first-world country that is so important for industrial and commercial development. Before being the minister responsible for these bodies I, like I suppose most others, took them for granted and did not really understand the absolute importance these bodies have for good industry development in this country.

Intellectual property in the future, whether it is on the patents side or in brand names, is absolutely essential if we are to be a competitive first-world country. Others have said that Australia has not developed international brands—trade marks that are known around the world. The best known one is probably Foster’s Brewery, which is a name that has been promoted by the owners of that company around the world. When we compare ourselves with a number of other countries with smaller populations and economies, we find that they have been much more successful in developing brand names that are now worth billions of dollars. Obviously Sweden, with names like Volvo, Saab—

Senator Cooney—Ericsson.

Senator SCHACHT—And Ericsson.

There is Finland with Nokia—the telecommunications mobile phone—a country of four million people. That brand name is now worth for that company billions of dollars. Australia should be at the forefront of this area. If we are able to take up the challenge, as the Leader of the Labor Party, Kim Beazley, has outlined in Knowledge Nation, having appropriate mechanisms in this area is part of the development of being a knowledgeable, innovative nation. Australia’s population is only a minor percentage of the world’s population, but we do have a claim that we produce about one per cent of the world’s new knowledge and R&D. Our real problem is turning that research, that new knowledge, into commercial outcomes that produce wealth and jobs for Australia.

I am encouraged to see that the government has put forward this legislation to enable the staff of the Trade Marks Office—and also, I hope, IPA—to assist inventors and developers to be more successful in bringing their idea to fruition, to the benefit of the country. Therefore, the opposition is pleased to support what is a minor bill; but its implications for the future of this industry are a step in the right direction. We commend the bill to the Senate.
the act or to search the Trade Marks Office records unless specifically authorised to do so. Repealing this section may lead to more efficient services to business and the community by the Trade Marks Office. Senator Schacht has talked about the importance of trademarks in a broader context in relation to creating an innovative and creative society. The Democrats recognise that this is a relatively small part of the innovation and commercialisation process, but it is an important one and, therefore, we are very supportive of any measures that remove unnecessary impediments or that will enhance service provision in this area.

The bill also repeals paragraph 88(2)(d) of the Trade Marks Act. The effect of this is to ensure the same criteria exists for registration of trademarks as for the court to cancel or amend a trademark registration. Clearly, this means that we need to have a more coherent trademark regime and, thus, the Democrats are also supporting the repealing of this paragraph. The bill makes other amendments that streamline the trademarks registration system. Again, we support those moves. I should point out, however, that the positive and constructive elements that we see in this bill are pretty much in stark contrast to the appalling record of this government in relation to nurturing innovation and developing a coherent long-term approach to developing human capital and intellectual property in Australia.

Senator Patterson—Rubbish!

Senator STOTT DESPOJA—I am not sure that it is rubbish when you look at the fact that business investment in research and development in Australia has declined in real terms, and as a percentage of GDP, since 1996. What happened in 1996? This government decided to make some radical changes to not only education funding but also research and development funding, in particular cutting the research and development tax concession rate from 150 to 125 per cent. There is an absolute direct and obvious correlation between the reduction in that tax concession rate and business investment in R&D, as the business and industry community made very clear when I addressed the Australian Industry Group’s forum on Monday. In fact, the most recently published OECD data—the 1998 data—showed average gross expenditure in R&D was 2.05 per cent of GDP. In 1999-2000, Australia invested 1.43 per cent of GDP, which is a gap of 0.62 per cent or $3.9 billion. It is clear that the government’s decisions in 1996 have had a deleterious impact on business investment, particularly in R&D—but there are many other examples.

It is important to note that the $2.9 billion package of Backing Australia’s Ability announced by the government in January is merely slowing down our relative decline. At the time, the Democrats acknowledged that Backing Australia’s Ability contained many positive elements—and we do not deny that—but we have a long way to go to make up for the shortfall for Australia to become competitive with the OECD average. I think there are some very important questions as to whether or not we can be content with merely being average, but then we require an additional investment in R&D of more than $13 billion over five years. That has been calculated at around $4.2 billion from business, $6.75 billion from the Commonwealth and $2.7 billion from other Commonwealth sources, such as the states and the territories. These figures are well known and they contrast markedly with the efforts that we have seen in other OECD nations and competitor countries. Finland, Sweden, Ireland, the UK and the US—Singapore is a key example—are nations that are investing in these areas. When you look at the 200 per cent tax concession rate in Singapore, you can see that we have a long way to go. All of these nations have made substantial and additional investments in R&D and in their higher education sectors as well. Our higher education capability is an area that we have not only ignored but also attacked under this government.

The interesting thing about these nations is their strong recognition that a globalised knowledge economy requires an enhanced role by government, that is, an enhanced responsibility by the state, and public investment in education and research. This government refuses to listen to and learn from this message. It is intensely frustrating that,
at the very time we need to be increasing public and private investment in innovation and research and development, this government undermines investment by business by proposing to constrain the research and development tax concession. People in the chamber who are familiar with the legislation we are going to be dealing with that has come out of the Backing Australia’s Ability statement would recognise that there are some clear attempts by this government to constrain the scope, nature and extent of some of the research and development projects which businesses and others will be embarking on. As a consequence of some restrained definitions—some of which we have managed to have changed, and I acknowledge that the government has done so—there are some clear examples where accessing the research and development tax concession will be very difficult by virtue of the proposed changes.

More broadly, education is the key good underpinning an innovation society. The Democrats have noted many times that it is the consequence of not just this government’s action on education but the previous government’s that has seen massive cuts to the education sector, particularly in our university sector. Australia is one of the few OECD countries where retention rates are declining. Again, the Democrats question why, in a world where it is increasingly obvious that we are going to have to rely on skilled adaptable learners and provide opportunities for lifelong learning, our retention rates are going in the wrong direction.

We acknowledge that a trademarks regime is important. It is a key to ensuring that we have innovative, creative and commercial products in our society resulting from research and development. Certainly the Democrats have played a key role in discussions about intellectual property and copyright regimes in Australia. We are all familiar with TRIPS and the consequences of that, but I think it is good to have these debates. The Trade Marks and Other Legislation Amendment Bill 2001 is a fairly noncontroversial bill. The Democrats acknowledge the commitment of the government and the opposition to this bill. Similarly, we hope to commit them to a credible and committed role in the innovation and creation debate more generally.

Senator COONEY (Victoria) (1.02 p.m.)—The Trade Marks and Other Legislation Amendment Bill 2001 is not a major bill but it deals with a major issue in our society. Senator Schacht and Senator Stott Despoja have dealt with this issue. I am glad to see that the former minister who dealt with this area, Senator Schacht, was in the Senate on behalf of the opposition to speak about this matter, as was the Leader of the Democrats. This issue is very important because it fits in with the scheme we have set up in this society to protect intellectual property. Other areas we could talk to which do the same thing are the laws dealing with copyright and patents.

It is important that we as a society get into the culture of placing great importance on intellectual property and the products of our thought processes. Such things have a profound impact on society. I can remember at school many years ago we learnt a great deal about what went on in England and English history—the flying shuttle, the spinning jenny and the steam train. If you think about those things, which at the time would not have been seen as producing the changes which resulted, you would see the importance of the products of intellect which brought about machinery that transformed not only industry but the way we lived after the Industrial Revolution. I remember, as a boy in Culgoa, the electric light being brought through to our town. Before that time we used to have gas mantle lamps and suddenly the whole world was transformed when electric light was brought through.

Senator West—We only had kerosene lamps.

Senator COONEY—At that time we had gas lamps.

Senator Patterson interjecting—

Senator COONEY—Senator Patterson does not have the same number of years upon her; she is a much more modern person. She would not understand this. This point has already been made but I reiterate it because I think we are now debating some-
thing that will become more and more important in Australia. The Knowledge Nation that has been brought forward by Mr Beazley illustrates this point. While we are discussing that topic, we should pay tribute to a former fellow caucus member, Barry Jones. Much praise has been heaped on Barry Jones but I do not think that he has received enough praise, because he is a person who symbolises in Australia the importance of the intellect, as well as its products. We should look not only at the economic results of intellectual property but at our whole way of life—the way we go about our business, the way we see things, our ability to go around the world to other countries to get their ideas and, generally, to live a much more civilised life.

The World Trade Organisation was referred to in the minister’s second reading speech. That is an area that will have to be discussed further as time goes by. This whole idea of the Knowledge Nation relates to the development within Australia not only of the best of our minds but of all our minds so that there can be an outpouring of good ideas in the economic field as well as generally. We should look more closely at the World Trade Organisation, not only in terms of the agreements that are made but in terms of the way those agreements are dealt with in the system. The trade related intellectual property rights—TRIPs—indicate the worldwide understanding of the need for intellectual property rights.

I reiterate that this is an important debate. It is one example of many that will follow, having regard to the debates that will take place in the Senate dealing with this central issue—central in the sense that our society will depend more and more upon the outpourings of the intellect. We should remember that, if we are going to have a society which depends more and more on the results of our intellectual capacity, we need a proper system of law to underpin that. That is what we as a parliament should be doing. It is important that government, through the people who staff our departments, puts in place a system of law that gives protection to intellectual property and encourages intellectual property to flourish. In this way the results of our intellect will be made manifest.

I conclude by referring to Charles Dickens. When he visited the United States, they welcomed him and hailed his arrival, because they thought he was going to talk about his literature—all the great novels that he wrote, such as *David Copperfield* and *Oliver Twist*. He used to talk at length about Bill Sykes. But instead of talking about them, he talked about the need to have protection for intellectual property. I am glad that we are taking notice of Charles Dickens after all this time, and that we are continuing to build up our law in this area.
to know that, and Senator Stott Despoja ought to know it better than almost any other. So it is wrong to come in here and criticise us: in January this year, as soon as we started to get into surplus, we announced a $2.9 billion innovation plan, Backing Australia’s Ability: An Innovation Action Plan for the Future. That is the sort of thing we can do when we have money that we have not borrowed from overseas, borrowed from the next generation of Australians, which is what Labor was doing year after year—chalking up debt for them to inherit—rather than being frugal, rather than running surplus budgets which would have served Australia much better.

With regard to the bill before us, the government is committed to helping Australian businesses maximise their competitive advantage. This bill will help in that process by further streamlining the procedures for gaining trademarks registration. Trademarks are an essential element of any successful business strategy. They signify to the public the origin of the goods or the services on which the trademarks appear. This helps the public recognise the goods and services they trust, and in turn establishes and increases the reputation of the business using the trademark. A successful trademark, as a number of people have said here today, can be invaluable to the success of a product or service.

The support for the bill recognises that a non-partisan approach to meeting the needs of Australian businesses will help those businesses to respond and adapt to the challenges of operating in today’s very competitive environment, where the strategic use of intellectual property is essential for success. This bill, by improving the trademarks registration system, will assist businesses to use trademarks to increase their competitiveness. 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.

Sitting suspended from 1.14 p.m. to 2.00 p.m.
spending that he has promised in education, health and welfare. He has also promised higher surpluses, as well as compensation for the states. Senator Gibbs, where does this equation leave us? It leaves us with the fact that the Labor Party will have to raise taxes, as Senator Conroy has told us.

Senator Cook—Wrong!

Senator KEMP—There was an interjection from my very old and very dear friend Senator Cook. Frankly, how blessed one is to have an opponent of the nature of Senator Cook. Senator Cook’s fourth most famous quote—and I will share this with you, Senator Gibbs—is that the Labor Party is a high tax party.

Senator Cook—When did I say that? I never said that.

Senator KEMP—I have said this on numerous occasions, Senator Cook, and it is a Senator Cook quote. If you were a low tax party, if you had a policy to cut taxes, remember that when we brought in the tax cuts it was the Labor Party that attacked them in this chamber, day after day. And now, would you believe, Senator Gibbs says that she does not think the tax cuts are enough. That is the implication of what she is saying. (Time expired)

Senator GIBBS—Madam President, I have a supplementary question. Is the minister aware that, when Sweden introduced a GST, it was 11.1 per cent and now sits at 25 per cent, or that Denmark’s starting GST rate moved from 10 per cent to 25 per cent, or perhaps even that the UK VAT rate went from 10 per cent to 17½ per cent? Isn’t it the experience of all countries that have introduced a GST that it rises very soon after introduction, and is that the real reason that Treasurer Costello made his statement to the Sydney Institute that he preferred to place greater reliance on indirect taxes in the future?

Senator KEMP—I would have to say that is another poorly worded question but, if you are a minister and you receive that sort of question, of course you welcome it. It is the Labor Party that is proposing to raise taxes.

Senator Cook—No, it is not.

The PRESIDENT—Order! Senator Cook, there is an appropriate time to debate the minister’s answer if you wish to do so, and it is not to be done by shouting during the answer.

Senator KEMP—It is the Labor Party that wants to raise taxes.

Senator Cook—No, it is not.

The PRESIDENT—Senator Cook, I have just drawn your attention to your behaviour.

Senator KEMP—If Senator Cook does not want me to answer a question in that way then he should not draft questions like that and give them to Senator Gibbs. It is quite unfair to give Senator Gibbs such a question. The Labor Party wants to finance roll-back, the Labor Party wants to finance ‘noodle nation’, the Labor Party wants to increase spending in a whole host of areas and the Labor Party says that it is going to have a higher surplus. This would only lead to one thing: higher taxes. (Time expired)

Welfare Reform

Senator KNOWLES (2.07 p.m.)—My question is to Senator Vanstone, the Minister for Family and Community Services. Would the minister please inform the Senate of the importance of welfare reform to Australia’s future? Is the minister aware of suggestions that welfare reform should focus on increasing allowances? What are the implications of these approaches for the budget and for taxation?

Senator VANSTONE—I thank Senator Knowles for that astute question. Welfare reform is of fundamental importance to Australia’s future. The proportion of the work force age population receiving benefits has been steadily increasing in Australia since the time of the Whitlam government. We are a very generous country. We need to do something now so that we do not consign the people who are on welfare to generations of welfare dependency. The government has announced a sensible, staged approach to welfare reform. We will increase support and incentives and couple that with mutual obligation.

The government welcomes Senator Stott Despoja’s recognition yesterday of the importance of welfare reform. However, the
Democrat approach to welfare reform could not be more different from ours. Firstly, their approach is simply to pay people more. Our approach is to pay more to help get people off welfare. We want to make a bigger investment in people to get them a job. The Democrats simply promise them more cash while they are unemployed. Senator Stott Despoja fails to understand that people are not unemployed because they are poor; they are poor because they are unemployed. The trick is to get them a job. In an ideal world we would like to give everybody more—of course we would. But this is not an ideal world. It is the real world and we will not put Australia into debt.

Secondly, and most importantly, this is a false and hollow promise. Senator Stott Despoja presents herself as the leader who offers what she describes as a moral conscience, and she goes as far as saying that a moral conscience is lacking in the Prime Minister. She makes that confident assertion: she has a moral conscience, and a moral conscience is lacking in the Prime Minister. She says that she wants to increase allowances at a cost she identified as $1.5 billion a year in the first full year. That is $6 billion on the forward estimates in any forward estimate period. Senator Stott Despoja offers false and shallow promises to the most vulnerable.

Senator Schacht interjecting—

The PRESIDENT—Senator Schacht, you are out of order.

Senator VANSTONE—I believe this is a cruel hoax, and I am sure the Australian public know who really does have a moral conscience. (Time expired)

Senator KNOWLES—Madam President, I ask a supplementary question. I would like the minister to explain further to the Senate what the implications for the tax base are and how people would be affected if the alternative policies that she has outlined were ever implemented.

Senator VANSTONE—They will not be implemented, because the Democrats will never gain government. The bottom line is that it is now becoming clear the ALP and the Democrats are high tax, empty promise parties. The bottom line is that Senator Stott Despoja knows she will never have to frame a budget. She knows it does not matter what she promises. When we recognised older Australians, the senator said that it was generational pork-barrelling. Now, in her first major attempt at a policy statement, the former student politician promises money to students. That looks like a direct attempt to purchase her own constituency. Which is pork-barrelling—the false, hollow promise of $2,500 more a year or a delivered, one-off $300? You tell me which option has a moral conscience.

Taxation: High Income Earners

Senator COOK (2.14 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Can the minister confirm that it is the policy of the Howard government to cut the top tax rate for high income earners, as the Prime Minister foreshadowed during his National Press Club address on 1 August 2001? Is the minister aware of the comments of his own Commissioner of Taxation, Michael Carmody, which were quoted in the Financial Review on 6 August 2001: I talk to my colleagues in America and their top rate is lower than ours, and they are experiencing the same issues. I’m not quite sure where the rate is that would get rid of that [avoidance].
Do Mr Carmody’s comments put the lie to the Prime Minister’s assertion that reducing the top income tax rate would address tax avoidance problems?

Senator KEMP—As usual, Senator Cook is all over the place, just like the Labor Party. Let me make it clear: there is a fundamental difference between our approach to taxes and the Labor Party’s approach. There is a very clear difference: Mr Beazley has indicated that if there is an available surplus he will spend it; the government’s position is that, if there is an available surplus, we will give it back via income tax cuts. That is a very important difference between the two parties. As we go to the next election, we have the Labor Party approach, which is wanting to raise taxes, and the Liberal Party approach, which is flagging tax cuts in the way that has been expressed by the Prime Minister. This is a very fundamental and very big difference.

It is true that we have delivered the largest tax cuts in Australian history already and, as I pointed out to Senator Gibbs rather clearly and concisely—and I draw the Senate’s attention to my remarks there—we would have preferred to go further at that time but, because of changes in relation to the tax reform package negotiated with the Democrats, we had to make adjustments in that particular area. So, in relation to income tax cuts, the difference between the government and the Labor Party is profound. The Labor Party is a high-tax party. Why don’t Senator Cook just fess up and get up and debate the reasons why he wants to raise taxes? Senator Cook wants to finance roll-back and ‘noodle nation’. Senator Cook wants to spend far more in a whole host of areas of government. Rather surprisingly, given his own rather lax record in this area, Senator Cook says he wants higher surpluses. We will believe that when we see it. It only leads to one thing: what we are going to see from the Labor Party is higher taxes. Senator Conroy, in one of his rare bursts of insight, has made that quite explicit.

Now let me turn to the issue of tax avoidance. One of the big problems that we found with the ramshackle tax system when we came into government was that the welcome mat had effectively been put out by the Labor Party for tax avoidance. There were a number of schemes, Senator Cook, which you got up in this chamber and defended, to your undying shame. And you attacked us for trying to close them down. We have taken widespread action on tax reform and I think our record is outstanding in that area. One of the things factored into the new tax system is that it will make inroads into the cash economy. The tax commissioner provided us with some figures in that area.

I thank Senator Cook for the question, and I put it to him that there is a fundamental difference between our two parties on the question of tax. The Labor Party is a high-tax party and you yourself have said that on many occasions. The fact is that you are a high-tax party and a high-spending party, so why do you pretend otherwise? Why don’t you be honest to the Australian public for a change and tell them what you really want to do? Because no-one believes you now. No-one believes that you can finance roll-back. (Time expired)

Senator COOK—Madam President, I ask a supplementary question. I notice that the minister declined to actually answer the question I put and resorted to a personal attack. Let me see if he can answer the question now. If avoidance is such a concern to the Howard government, can the minister explain why the government has backed away from tackling tax avoidance? That is a simple question, minister, so try that for size. Why is it that the government is now so silent when the measures to tackle tax abuse, such as through trusts, will be back on the table? Surely this is not another cynical move on the tax front to shore up your own voting base?

Senator KEMP—I just went through a very potted version of the history of when Senator Cook was on the front bench and I indicated how tax avoidance was rife and how the welcome mat had been put out for tax avoiders by Senator Cook and others. Senator Cook, you stood up in this chamber and day after day defended R&D syndicates. Senator Cook interjecting—
Senator KEMP—That is what you defended!

Senator Cook—I never defended tax avoidance!

Senator KEMP—You defended R&D syndicates, and how dare you stand up and—

The PRESIDENT—Order! Minister, resume your seat. Senator Kemp, I have been standing on my feet. Your behaviour is unacceptable. Senator Cook and Senator Kemp will not shout at each other across the chamber during question time or at any other time. Senator Kemp, your remarks should be addressed to the chair and not across the chamber. Senator Cook, you are disorderly in shouting in the way that you have been shouting.

Senator KEMP—What I was doing, and this led to some abuse from Senator Cook, was putting a few facts on the table. Senator Cook does not find the facts comfortable, because Senator Cook was a senior minister—I know that is hard to believe—in the Keating government, and that was a government that opened the door to tax avoidance. We have not backed away from tackling tax avoidance. This government has always been rigorous in this area and we will match our record in this area against the Labor Party’s record any day. (Time expired)

Drugs: Tough on Drugs Strategy

Senator CRANE (2.21 p.m.)—My question is to the Minister for Justice and Customs, Senator Ellison. Will the minister advise the Senate of the many successes achieved by Commonwealth law enforcement agencies under the Howard government’s Tough on Drugs strategy? Is the minister aware of alternative policies? What would be their impact if ever implemented?

Senator ELLISON—I thank Senator Crane for what is a very important question. This is a very important question for all Australians, and of course the Howard government has a comprehensive Tough on Drugs strategy which deals with this problem on three fronts: education, health and law enforcement. Under this program, we have given additional funding of $212 million to Australia’s law enforcement agencies: the Australian Federal Police, Australian Customs and the National Crime Authority. Today the Commissioner of the AFP, Mick Keelty, said on radio:

In the last two years, we have made enormous inroads in relation to the heroin drug problem. He went on to say:

As a result of very good work in the last 12 months, in particular, we have increased drug seizures enormously.

Some recent figures he gave were, for instance, 1.8 tonnes of heroin seized—a 50 per cent increase on those figures released by the NCA yesterday. We have seen with these latest figures a vast increase in the seizure of drugs: 2.7 tonnes of cocaine and almost a tonne of amphetamines. This follows on from a record cocaine seizure in Western Australia where a tonne of cocaine was seized and intercepted. Almost five million hits of cocaine were stopped from reaching the streets of Australian towns and cities. There is much good work being done by Australian law enforcement agencies in stopping the importation and the trafficking of drugs internally.

Recently, Mr Pino Arlacchi, the Under-Secretary General of the United Nations for crime and drugs, commended Australia on its tough on drugs approach. I remind those opposite and the Democrats that we are a signatory to a UN protocol which prohibits the legalisation of heroin. I know that those opposite, and the Democrats in particular, place great store by the United Nations. They should bear in mind that there is a protocol that we have signed up to which prohibits the legalisation of heroin.

We have seen the impact of our seizures being felt in the Australian community. In Victoria, for example, heroin overdose death rates have fallen from 150 last year to just 29 this year. Whilst 29 is still too many and we have still got to address that, that is a great reduction; it is a reduction in excess of 80 per cent. In fact, Mr Keelty, the AFP commissioner, said that overdose figures for Cabramatta had gone down markedly in the last six months.

We have seen a heroin drought in Australia’s capital cities as a result of the good work of Australian law enforcement agen-
cies, and this should not go unacknowledged. Yesterday, we had the Leader of the Opposition advocating a soft on drugs approach by saying that they would support heroin trials. The Leader of the Democrats, Senator Stott Despoja, says, ‘Just say no to zero tolerance.’ I will cite again what Mr Keelty, the Commissioner of the Australian Federal Police, said in relation to heroin trials: if you have a heroin trial there is every chance that criminal elements will produce a better type of heroin, a product which is aimed at keeping their market alive. The police commissioner was saying that, if you have a heroin trial, it will bring about heroin of a higher purity. In fact, as a result of our tough measures, we have seen the purity of heroin going down because of the heroin drought. There is still much more to do. We have funded Australian law enforcement agencies across the board, in particular the Australian Federal Police, to carry on their fight against drugs, which is so important. (Time expired)

Taxation: Family Payments

Senator McKIERNAN (2.25 p.m.)—My question is directed to Senator Vanstone, the Minister for Family and Community Services. In light of the government’s election year buy-off in dealing with family payment debts, what action will the minister take to reduce the likelihood of hundreds of thousands of families again receiving debt notices in July next year? Or is the Howard government content to leave this as a short-term political fix with an election firmly in mind, ignoring exactly the same problems arising every year into the future? Why won’t the government repair the basic flaws in the design of the family payments system, instead of going for the political fix?

Senator VANSTONE—Senator McKieran, I am sorry, but you really are barking up the wrong tree in this context. It is true that this is the first year of implementation of the new family tax benefit which, incidentally, gives massive increases in assistance to families and is particularly targeted at low-income families. As you know, Senator, we believe in offering choice. We offered families the choice of either taking this as an annual payment on their actual income or estimating their income and receiving the money on a fortnightly basis. Most people chose to take it on a fortnightly basis. Some, of course, generally speaking on higher incomes, can afford to make the choice of saying, ‘Well, I will have it at the end of the year,’ and look at it as a nest egg that arrives at the end of the year to apply to whatever discretionary spending the family wants to allocate it.

Whenever you offer an annual amount on a fortnightly basis and use estimates of income, there is the risk at certain points that people who underestimate their income, and therefore get an overpayment, will in fact get a debt. We have very sensibly recognised that some families have had some difficulty with this new system. For families who do not have, for example, a pensioner parent—pensioners handle changing their income with Centrelink regularly quite easily; so do all the unemployed Australians advise Centrelink of changes in their income—who have not had that experience have found this a bit more difficult. As a consequence, we decided that we would waive the first $1,000 of any debt that was accrued by way of an overpayment and that we would treat the remainder as prepayment on next year’s, which I think is a very sensible outcome.

Your question is: how can we be sure that the same things is not going to happen again next year? That is a good question. There are a number of quite small refinements that we can make. But, in any event, I would expect that the problem next year will be far less than this year, because it will not be a new system and more people will have adjusted to using the new system. Anecdotally, I have advice—I do not have a written brief on this or, if I have, it has not come to me yet—that the debts are actually much lower than some people thought they might be. It is a very hard thing to predict. I answered a question from one of the Australian Democrats, or it may have been from the Labor Party, saying that I was very pleased that Centrelink were getting ready to handle what could have been a very significant problem. All of this reconciliation between your estimates and your payments is done at the end of the year. I am pleased that they were getting ready and preparing on a worst case scenario, and I am
indicating to you that my anecdotal advice is that that worst case scenario has not developed.

The sorts of things we can do are not settled at this point, but I will give you an example of the sorts of things we can do. We can much more closely target to particular income groups and particular people at risk of having underestimated their income information on how to avoid the risk of doing that. We could, for example, when Centrelink are advised of a change in income, not have them start from that point simply paying the person the amount they are now entitled to, but have them from that point adjust for any overpayment so that the impact of the overpayment is spread out over a longer period of time. There are a number of other things, but until all of them are settled I do not think it is appropriate to canvass them. If you have some ideas of how you would change this, I would be very happy to listen.

(Time expired)

Telecommunications: SingTel

Senator BOURNE (2.30 p.m.)—My question is addressed to the Minister representing the Treasurer, Senator Kemp. What departments are the FIRB and the Treasurer seeking advice from in order to make a fully informed decision on the proposed SingTel takeover of Optus? How much of this information will be made public? In particular, will last night’s serious allegations on Lateline be scrutinised before any decision is made?

Senator KEMP—Thank you, Senator Bourne, for that question. In relation to these matters, the government always consult widely with relevant agencies. You can be assured that we would be consulting with the defence bodies and the security agencies, quite obviously. By way of background, on 15 May the government received an application for approval under foreign investment policy for the acquisition by SingTel of Optus. You will be aware, Senator, that an interim order was issued on the proposal on 14 June and the deadline is now 20 September. The parties are engaged in consultations with the government regarding their proposed intentions, including foreign investment policy matters. My advice is that SingTel has given undertakings to Defence and is negotiating undertakings with the Australian security agencies that protect our national interest.

Let me assure Senator Bourne that the government looks very closely at these types of proposals. They are very carefully assessed and scrutinised before a decision is made. This government has a very proud record in this area; you can reflect on how the Woodside-Shell arrangements were handled. Senator, let me assure you that these matters are looked at on a case by case basis and no proposal would be approved if it were considered to be contrary to the national interest of Australia.

Senator BOURNE—Madam President, I ask a supplementary question. Senator Kemp, thank you for that answer but I think you missed out on a couple of bits of the question. In particular, I would be very interested to know how much of the information that FIRB and the Treasurer receive on this can be made public. I am aware that probably all of it would not be able to be, but certainly I am sure that some of it could be. How much of it will be made public? I am reassured by your assurances that the allegations on Lateline will be taken into consideration. Any other considerations about a foreign government virtually taking over a large part of Australia’s telecommunications network will be very usefully looked into as well. If you could pass that on to the Treasurer, I would appreciate it.

Senator KEMP—Senator, I will certainly draw your comments to the attention of the Treasurer. He will have to make a decision as to the information which can be made available, so that matter will rest with him. Let me again provide you with the assurance that we look very closely at these issues. These are very important decisions and the government will make sure that they are subject to the greatest of scrutiny.

Child Care: Centrelink Payments

Senator DENMAN (2.34 p.m.)—My question is to Senator Vanstone, the Minister for Family and Community Services. Can the minister confirm that after October this year some families will still be receiving notices
Senator VANSTONE—No, Senator, I cannot give you an estimate of figures for people who may have a significant child-care benefit debt. You are only talking about child care, I understand. I think you will find that, in order to have a very significant child-care benefit debt, generally speaking there needs to be a very significant underestimation of income. I have not brought all those estimates in with me, but I will have a look to see if I have estimates as to how many there might be in October.

As you know, the government decided that the new system was presenting difficulties to some people—I will not repeat what I said to Senator McKiernan—and that, firstly, there should be a $1,000 waiver and, secondly, any overpayments should be treated not so much as a debt but as a prepayment on future entitlements. People may have a family tax benefit debt, and they would have a $1,000 waiver on that. They may have an additional child-care benefit debt, and they would have an additional $1,000 waiver on that. I will have a look, Senator, and if I have any estimates that apply to the question you have asked I will send them round to you.

Senator DENMAN—Madam President, I ask a supplementary question. Minister, on what basis did the government decide to spend an estimated $200 million on its one-off waiver?

Senator VANSTONE—Senator, I think I have answered that in the context of your question and also Senator McKiernan’s question, and that was that this was the first year of a new system where families were given the opportunity of choosing whether they would take a benefit annually or take it fortnightly. Quite a lot of people who relished the choice chose to take it fortnightly, many of whom would not have had significant experience of notifying Centrelink of changes in income. It was appropriate—because there was concern that there might be a significant problem in reconciliations for these families, who perhaps had not had experience of that in the past—to offer up to a $1,000 waiver on each of these payments, treat any overpayments as pre-payments and do everything we could to ensure—not only in the educative process of the first year but in much more closely being able with that experience to target our message—we limit the opportunities for this to happen in the future. Of course, it has been a feature of welfare payments that are based on estimates that people do get overpayments and they do have to pay back. That is not particular to this government; your government had a similar situation. (Time expired)

In-vitro Fertilisation

Senator HARRADINE (2.38 p.m.)—My question is to the Minister representing the Minister for Health and Aged Care. Can the minister advise the Senate: does the government consider it appropriate for an IVF company in Sydney to be engaged in pre-implantation diagnosis of an embryo to see whether it is male or female for the purposes of transferring only that embryo of the right sex for family balancing purposes? If the government considers that that is highly inappropriate, what action is it taking to ensure that taxpayers’ money is not being spent through Medicare on that service? Can I also raise with the—(Time expired)

Senator VANSTONE—I thank Senator Harradine for the question. Senator, it is well understood in this chamber and I think in the community at large that you have a longstanding interest in these matters, in reproductive technology and its application in particular in relation to any link between Commonwealth funding and the application of that technology, research and science. The particular details of your question I will refer to Dr Wooldridge, and I will ask him to respond.

But, while I have the opportunity, Senator, I might indicate that you did ask me a question in late June and were apparently dissatisfied with the answer in relation to that
matter that was provided. Subsequently, as you have advised me, you wrote to Dr Wooldridge, and you indicated to me earlier today—and I thank you for that—that at today’s date you had not had a response. Subsequent to our telephone call, Senator, my office contacted Dr Wooldridge’s office, and I understand that a reply to your letter has been drafted, and I am advised that it is expected to be signed in the near future.

Senator HARRADINE—Madam President, I ask a supplementary question. It is a simple question and it is still not answered. I asked that question before: do we—all of the government and all of the opposition, the Democrats and the whole of this chamber—not believe that sex selection for family balancing purposes and the transfer only of the desired embryo of the right sex is inappropriate and should be condemned? Don’t we all agree with that? It is discrimination. All I am asking is: what is the government doing about it to ensure that taxpayers’ money at least is not going into that? That is either a yes or a no—yes, we are doing something about it to ensure that public monies are not going into that disgraceful, discriminatory action.

Senator VANSTONE—I understand your concerns with this matter and, as I have indicated, my office has asked Dr Wooldridge’s office about a reply to your letter. The relevant minister on this matter is not in this chamber. I think it is appropriate to give you the exact answer as Dr Wooldridge gives it, and I will do that as soon as I have it. As I understand, Dr Wooldridge or perhaps a parliamentary secretary will be responding directly to you.

Goods and Services Tax: Small Business

Senator GEORGE CAMPBELL (2.42 p.m.)—My question is to Senator Alston, representing the Minister for Small Business. Is the minister aware that PricewaterhouseCoopers recently undertook national research of Australian small businesses and found that 59 per cent feel their cash flow has been adversely affected by the GST, most expect the negative impact to continue and 84 per cent believe their overall tax compliance is more complex now than it was before the introduction of the GST? In the face of all the evidence, including this study from PWC, how can the Howard government continue to argue that the GST will not lead to more small businesses going belly up over the next six months?

Senator ALSTON—Firstly, I am not familiar with the PricewaterhouseCoopers survey. It may well be that it was simply confined to trying to extract as many complaints and concerns as possible about the GST, and of course that is a particular obsession of the Labor Party. As we all know, very many businesses get into trouble for a variety of reasons. I just happened to be reading something from the person who still leads the Labor Party in this country and who seems to be becoming more and more irrelevant, but nonetheless what he was saying was that you really could not be sure how many businesses go to the wall each year; it could be many thousands and for a whole variety of reasons. That is absolutely true. But to the extent that you think that all small business problems are GST related, then I think we would be very interested to hear what you propose to do about it, because I have never heard roll-back in any shape or form being directed to the small business sector.

What you are on about is crowing about the fact that you just caused a small components parts manufacturer to wear a $1.4 million bond payment, which is essentially dead money. If you impose that on all those hundreds of other medium-sized businesses that your mate Doug Cameron thinks deserve to be targeted over the next three to six months presumably, you will see what good that will do to small business. You go out and ask PricewaterhouseCoopers to do a survey on who they really think the problem is. They know, for a start, that the trade union movement and the Labor Party, who are basically synonymous, will not lift a finger to alleviate any of the burdens on small business. They will be looking to increase the corporate tax rate, as we know. That is almost a given, because Mr Beazley is out there saying that we need to increase—

Senator Cook—Nonsense!

Senator ALSTON—He did say that. Look, you know it, Senator Cook. Maybe
you were out on your yacht, but I heard it, and he said that the tax mix in this country is wrong. He said that there is too much of a burden placed on indirect tax so you are going to roll that back, and the implication of that, of course, is that you are going to increase the relative burden borne by direct tax. If you rule out personal income tax, that only leaves corporate tax, and that is a major burden for small business. So, Senator 100,000-dead-men-around-your-neck Campbell, you get out there and explain to small business just what you propose to do to assist them: explain whether you are proposing to lift a finger in relation to GST or whether you are simply going to come clean and admit that your definition of roll-back is on a few bits and pieces—about $85 million worth, to be precise—which leaves about 99.999 per cent of the total GST revenue take. In fact, you are just going to keep it in place, and you do not give a damn about small business.

Senator GEORGE CAMPBELL—Madam President, I have a supplementary question. Does the minister recall the frequent claims of the Treasurer and the Prime Minister that the tax reform process was aimed at creating ‘a streamlined new tax system for a new century’? How do the more than 84,000 GST private binding rulings issued by the tax office in just one year contribute to a streamlined new tax system, and what is it about the GST that necessitates such detailed and cumbersome clarifications on its operation from the tax office? Don’t these 84,000 private rulings just add more weight to the GST legislation, which already weighs 7.1 kilograms, and the tax act, which has blown out from 3,000 pages to 8,500 pages?

Senator ALSTON—I take it that the Labor Party is going to fundamentally reform the tax act: is that right? And you are going to fundamentally reform the Australian Taxation Office and the way in which it delivers private rulings: is that right? Are you also unaware of the Access Economics report which said recently that, in terms of addressing the ageing of a population, you have a much broader tax base if you move to an indirect GST system? It is much more efficient. Do you know what is inefficient and complex and cumbersome and terribly frightening for small business? It is roll-back. You ask them. They say that that will fundamentally complicate the whole regime. They will not have a bar of it. They know that, if they are ever going to confront a paperwork nightmare, it will be trying to implement your differential rates, your proposals to try to pretend cosmetically that you are going to do anything about the GST regime. What you are really going to do—and the Australian public know it—is to wring your hands and say, ‘Isn’t it horrible, but we would love to keep it in place,’ and it will be business as usual. Well, it will not be, because you will wear it.

Australian Broadcasting Corporation: Rural and Remote Australia

Senator SANDY MACDONALD—My question is to the Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald. Minister, will you advise the Senate of coalition budget initiatives with respect to the ABC which have further improved access to services for people living in rural and remote Australia?

Senator IAN MACDONALD—I thank Senator Sandy Macdonald for that question. It demonstrates again his close, very intense, very genuine, very informed interest in rural and regional Australia. I know that about Senator Sandy Macdonald because of the number of questions he asks about rural and regional matters. Regrettably, that is in direct contrast to the Labor Party, who have absolutely no policies for rural and regional Australia and, furthermore, are not interested. Their spokesman for rural and regional matters has asked one question this whole year on rural and regional matters. In fact, in the past 12 months she has only asked two questions on matters of interest to rural and regional Australians.

Senator Sandy Macdonald does raise with me the question of services to rural and regional Australians, particularly related to the ABC. I was delighted yesterday to hear my colleague Senator Alston announce an additional $17.8 million for the ABC. That is great, because it is all going to local radio and local programming. That is what the
ABC does so well. That is part of the government’s program to develop and deliver services to rural and regional Australia. That money will be used to provide two new regional radio stations. It will provide 50 new program makers, which will allow an additional 15 radio shifts, 10,000 hours of local programming and additional rural reporters. So it is all good news. For example, in my own home state of Queensland there will be three new programs, based at Cairns, Townsville and Toowoomba. There will be a new locally produced drive program in Townsville and Toowoomba, which I am delighted about, and there are lots of new things happening for rural and regional Australians. In fact, tonight the ABC has a new program called Australia Talks. I hope Senator Mackay will listen to that and watch it on TV, because she might understand what rural and regional Australians are all about. She will get a feel for rural and regional Australia. She will also see me on it, so she will learn a lot more about rural and regional Australia.

But I emphasise that the importance of this particular new initiative by the ABC is that it provides local programming and local news for local people. It is so very important that we have local news. I will give you an example of why it is so important: a couple of weeks ago Senator Mackay said she came up my way, and she did. She issued a press release and called a press conference with the Labor candidate for Herbert, a councillor on the Townsville City Council. They called this massive media conference, and it was all about how the Howard government had spent no money at all under the government’s federal flood mitigation program. She said, ‘Not one cent have they spent out of that program.’

As soon as I heard that, I could not believe my good fortune. Of course, most of the money from that program in Queensland went to Townsville and Thuringowa city councils, in direct contrast to what Senator Mackay said. As soon as she knew that, she had one of her staffers ring around all the local media and say, ‘We want our press release back.’ It is probably the same poor staffer who connected her web site to mine. This demonstrates how important it is to have local media, local radio stations. (Time expired)

Veterans: Delays in Processing of Claims

Senator SCHACHT (2.53 p.m.)—My question is to Senator Minchin, representing the Minister for Veterans’ Affairs. Can the minister explain why veterans are receiving letters that read:

Applications are processed strictly in order of lodgement date and due to limited resources, it may be some time before a Claims Assessor starts work on your case.

Why are Australian veterans, many of whom are elderly and sick, receiving letters that state ‘limited resources’ are causing delays in the processing of their claims? Isn’t the government really to blame for these delays, having cut 1,000 jobs from the Department of Veterans’ Affairs since 1996?

Senator MINCHIN—I am not aware of those particular letters but I am aware of Senator Schacht’s repeated claims about staffing levels in the Department of Veterans’ Affairs. I am advised that the problem with the figures that Senator Schacht is referring to is that they do not allow for the fact that the former repatriation institutions and hospital divestment reduced the Department of Veterans’ Affairs staff by 281. The decision to divest the hospitals was actually taken by the previous Labor government. We are comparing apples with pears. We are dealing with the pears; you took away the apples, and therefore the figures reflect the decisions made by your government. The first year’s DVA staff levels were reported without hospital staff included—in 1998. At that time the department had 2,417 staff; at 13 June 2001 the department had 2,458 staff—41 more than in 1998. The most recent veterans satisfaction survey found that 91 per cent—or more than nine out of 10 veterans surveyed—were satisfied or very satisfied with the Department of Veterans’ Affairs services in general.

I think this government has a very good record in servicing veterans. Senator Schacht clearly has no idea what he is talking about in relation to the figures. Obviously, your figures are distorted by the fact that your government made the decision to divest the hospitals and that changes the figures. If you
compare like with like, you find that in fact we have greater staffing and greater satisfaction from veterans for the services we are providing.

Senator SCHACHT—Madam President, I ask a supplementary question. The figures I am quoting are from the minister himself in response to a question I asked in estimates. I just want to point out that this has been a 30 per cent reduction and, as a result of that reduction, letters are now going out to veterans saying that there will be a delay in servicing their claims. If it is not from a reduction in employees, Minister, why are the letters going out saying ‘There will be a delay in servicing your claim’?

Senator MINCHIN—I will be happy to find out from the minister exactly why those letters have been sent and the basis on which they have been sent. There may well be a perfectly legitimate reason why there have had to be delays as expressed in that letter. However, let me assure you and let me remind you that in fact staffing levels have increased since 1998 and that, on satisfaction with the services provided by the department, 91 per cent say that they are more than satisfied with the services provided by this very good department.

Environment: Private Sector Investment

Senator BARTLETT (2.57 p.m.)—My question is to the Minister for the Environment and Heritage and also the Minister representing the Prime Minister. Is the minister aware of the report released today by the roundtable, comprising some of the nation’s largest investors in rural Australia, plus the CSIRO and the Australian Conservation Foundation, which details ways of ensuring private sector investment in land and water repair? Minister, the report highlights that, with strong government leadership and an integrated package of tax offsets and concessions, $12.7 billion over 10 years in private investment delivering environmentally positive outcomes could be generated with a cost to government of just $360 million per year. Will the government accept the requirement for real leadership in this area and put forward tax measures aimed at delivering major environmental outcomes rather than simply considering tax policy as a way of buying votes through hints at income tax cuts?

Senator HILL—The question again demonstrates the fundamental misunderstanding of the Australian Democrats in relation to this government’s taxation policy. We believe in lower taxation because it helps build business success. That helps create wealth, which helps fund good causes. I think we have demonstrated in the last 5½ years that, if you keep taxes, interest rates and inflation down, all Australians actually benefit. Furthermore, it gives you the opportunity to invest in an unprecedented way at an unprecedented level in Australia’s natural resource issues.

I remind the honourable senator that this government established the Natural Heritage Trust with over a billion dollars, which has been invested in natural resource projects in this country covering both conservation and sustainable primary production. That financial investment is now to be enhanced by the national action plan on salinity and water quality, which will bring with it a further investment of $1.4 billion directed at specific catchments in difficulty. As I said, this is an unprecedented level of public investment in these issues and complements the very substantial private investment that land-holders and land managers are already putting into these very challenging issues. So the answer to the question is that, if you go down the government’s path, if you ensure economic success as the starting point, you will be best able as a government to meet your other responsibilities, including the very important one of repairing the natural resource damage that has been done in this country and putting in place natural resource processes that will better ensure sustainability in the long term.

Senator BARTLETT—Madam President, I ask a supplementary question. I would inform the minister of the finding of the report—which he has not indicated he is aware of—which was put together by some of the nation’s largest private investors in rural Australia. The report found that ‘current government responses to the environmental threat are unlikely to arrest a reverse to declining trends in landscape health’. Given
that finding from some of the nation’s largest investors in rural Australia, why is the minister not accepting their request for real leadership in real tax reform that will encourage further private investment in this area? Is the minister also going to indicate the Prime Minister’s willingness to respond to the recommendations put forward by his own Community Business Partnership in a report initiated by the Democrats which contained other recommendations for tax measures that support and encourage use of the land for conservation purposes? Given that this report and other reports have found that we are still going backwards in terms of the health of our land and water, why is the government refusing to act further in this crucial area?

Senator HILL—As the honourable senator knows, this government is looking at further tax reform to assist in better natural resource outcomes. But these reforms are not to put taxes up; these reforms are to bring taxes down—to provide incentives and support. This government is interested on that side of the ledger. What this government is not going to do is increase taxation for whatever purpose. We have demonstrated that we can meet the major responsibilities we have in relation to better natural resource management through running a good economic outcome, and we can help do that by helping keep taxation down. We believe that is the right way for the future, and that is the way that we are going to continue to advocate.

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

ANSWERS TO QUESTIONS WITHOUT NOTICE

Cabinet Documents

Seyffer, Mr John

Senator HILL (3.02 p.m.)—I have some additional information to the answers I gave yesterday to questions from Senator Faulkner and Senator Conroy concerning Senator Heffernan, which I seek leave to have incorporated in Hansard.

Leave granted.

The answers read as follows—

Yesterday Senator Faulkner asked me questions about access to Senator Heffernan’s CabNet system. The answers are that Senator Heffernan does not have a CabNet terminal in his Sydney office in Westfield Tower and never has. Senator Heffernan has the same access to Cabinet documents as members of Cabinet. And Senator Heffernan tells me only two of his permanent staff have access to Cabinet documents on the usual “need to know” basis; his strict practice is to confine cabinet documents to his Canberra office.

On a related matter, Senator Conroy in his questions to me yesterday referred to Mr John Seyffer as “Senator Heffernan’s staffer”. The reference was incorrect. Mr Seyffer is not and never has been a member of Senator Heffernan’s staff.

HIH Insurance

Senator KEMP (3.02 p.m.)—Yesterday, 8 August, Senator Hutchins asked me a question and I have received an answer to that question from the Minister for Financial Services and Regulation. I seek leave to have that answer incorporated in Hansard.

Leave granted.

The answer read as follows—

On 8 August 2001, (Hansard. page 25797)

Senator Hutchins asked me:

Is the Minister aware that HIH Claims Support Ltd is yet to employ an assessor for industrial special risk claims, despite the passage of the legislation funding HCS on 27 June? Can the minister inform HIH industrial special risk policy holders...when someone will be employed to assess their claims? Are delays such as this a clear sign that the government has failed to make HIH Claims support accountable for its actions by establishing it as a company? When will the government be legislating to provide for an appeal mechanism for ACS, a mechanism it promised but which is not established by the legislation passed on June 27?

The Minister for Financial Services and Regulation (Mr Hockey), has provided the following answer to the honourable senators question:

HIH Claims Support Ltd (HCS) is the vehicle by which the Commonwealth government’s funds will be distributed. Insurance assessment functions will be carried out by the major insurance companies that have agreed, by contract with the Insurance Council of Australia, to be involved in the rescue package. It is not necessary for HCS to employ assessors.

There is no requirement for appeal mechanisms to be legislated specifically. The government has in fact established a two level process for persons
who have had their applications under the HIH Claims Support Scheme rejected.

At the first level, there will be an internal review of the decision within HIH Claims Support Limited, the company established to administer the scheme by cooperation between the government and the Insurance Council of Australia. This review will be conducted by the Managing Director of HCSL, who is divorced from the day to day assessment of applications under the scheme.

At the second level, in the event the HCSL internal review determines the policyholder’s claim does not meet the eligibility criteria, applicants have access to an external review mechanism through the HIH Assistance Review Panel (HARP), chaired by William McLennan.

HARP will review eligibility decisions and consider cases that involve anomalies in the application of the eligibility criteria.

If HARP determines that there has been an anomaly in the application of the eligibility criteria or that the criteria has been incorrectly applied, it can direct HCSL to process the claim as if the claim met the eligibility criteria.

HARP will also be able to provide advice on any systemic issues arising from the application of the eligibility criteria.

The Managing Director of HCSL is Mr Dallas Booth. The other two Panel members are Ms Wendy Machin and Professor Sandra Harding. The appointments of all three Panel members have been approved by Cabinet. As the scheme is in process of commencing, no applications for either internal or external review have been received.

ANSWERS TO QUESTIONS ON NOTICE

Question No. 3419

Senator CROSSIN (3.02 p.m.)—Pursuant to standing order 74(5), I ask the Minister representing the Minister for Aged Care, Senator Vanstone, for an explanation as to why an answer has not been provided to question on notice No. 3419, which I asked on 7 February 2001.

Senator VANSTONE—I am not aware that I have a question outstanding. I will find out for you and get my office to ring you this afternoon with an indication of why you have not got it and when you will get it.

Senator CROSSIN (Northern Territory) (3.03 p.m.)—I would just clarify with Senator Vanstone that it is not actually a question on notice to you. It is actually to the Minister for Aged Care, through you representing that minister in this chamber. I will take it that you will attempt to get an answer from that minister. I move:

That the Senate take note of the minister’s response.

Question resolved in the affirmative.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Goods and Services Tax: Small Business

Senator SCHACHT (3.04 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Communications, Information Technology and the Arts (Senator Alston) to a question without notice asked by Senator George Campbell today relating to the goods and services tax and small business.

Yesterday, the opposition asked a number of questions about the impact on small business of the GST and the BAS and related matters. Today, we again asked questions—and an excellent question was asked by Senator George Campbell—and again the minister, Senator Alston, representing the minister for small business, could not give any substance in his answers as to the impact and what the government was doing, other than to heap abuse on the opposition. One thing he said, which was amazing in its brazen arrogance, was that the small business community is happy with the introduction of the GST, the BAS and related matters and that there is no comment or criticism.

I just want to point out to the minister that, since we raised these issues this week in the parliament, we have had the following comments. Mr Rob Bastian, the Chief Executive of the Council of Small Business Organisations of Australia, was asked to comment about the so-called cabinet document on small business that was leaked early this week. When Mr Macfarlane commented that ‘the sector was happy with existing arrangements and did not want Labor’s roll-back’, Mr Bastian said:

I do not believe that. The main concern as reported to me is paperwork itself.

We have also had the TMP Worldwide survey figures, as highlighted yesterday, show that 73 per cent of the 6,500 businesses sur-
veyed said they found the new BAS was as complex as the old form. The Yellow Pages business index shows that, of the seven of the most important reasons cited for criticising government policies, six were related to the GST and the BAS. Finally, the government’s own cabinet submission—or, as Senator Alston called it yesterday, ‘a working paper’—that was leaked says:

The strong message delivered by small business is that more needs to be done.

When we referred to this so-called working paper—this cabinet submission—that was leaked and reported in the press, the government did everything else but address the concern that more needs to be done about the BAS and the impact of the GST.

The only answer that the government has got is to in this submission drag up the old hoary chestnut of industrial relations, an issue that the small business community itself has not raised as being of any consequence when compared with the impact of the GST and the paperwork that has been imposed upon them by this government’s so-called new tax reform, the new simplified tax changes that came in in July of last year. Senator George Campbell in his excellent question asked—and we pointed out this issue yesterday in the debate—how can it be more simple when the tax act has gone from 3,000 pages to 8,500 pages, when by sheer weight it is now 7.1 kilos. You have got to be a middleweight weightlifter with Olympic qualifications to actually pick it up and carry it around. This is the most extraordinary change, the biggest change, in the 100 years since Federation, in the tax act.

We also have 84,000 GST private binding rulings issued by the Taxation Office in the last 12 months, with still thousands more to come, and still small business is complaining that they do not have a binding ruling. If this is ‘simplification’, it is an absolutely meaningless word. What this government is trying to say to small business is, ‘We’ve given you a simpler tax act, we’ve given you simpler forms to fill in,’ but everything has gone the other way. That has destroyed the confidence of small business. It means that they have not invested. It means that they have not employed more people. They have contracted within the economy. This is from a government that prides itself, apparently, on its connections to small business. In fact, it has done the opposite. If in the last 12 months a Labor government had done to small business 10 per cent of what this government has done, the mob opposite, the government, would have been marching in the street saying how terrible. This is the biggest and worst negative impact on small business in the history of Federation, and it has been done by a Liberal-National Party coalition government. They deserve to be condemned.

(Time expired)

Senator LIGHTFOOT (Western Australia) (3.09 p.m.)—Senator Schacht knows very well that what we have done with the new tax system is give Australia a chance; we have taken away an onus on working people to pay a higher percentage of the total tax take. They know that. The ALP are in complete disarray. The ALP are telling people, their constituents, ordinary Australians, that they are going to roll back the GST. They may very well roll back the GST. They themselves know that the GST in its entirety goes to the states. So what they are going to do, for a start, is put the boot into the states and cut down on their revenue by rolling back the GST. There is no question that the lot of the tax take from the GST goes to the states.

Not only that but in December 1998 the Labor Party spokesperson for local government, Senator Mackay, said that they were also going to give 6½ per cent of the total GST tax take to local government. So they are going to roll back the GST and give 6½ per cent of the total take to local government as well! It is smoke and mirrors. It is trickery. You cannot roll something back, diminish it, dilute it, take a lesser take and then increase spending as well. Where is the money going to come from? On top of that, they have this thing called the knowledge nation—which, of course, people, including the press, deride as the ‘noodle nation’. What are you on the other side telling Australians? Are you saying that we are stupid? You on that side may be, but I can tell you that the Australians I mix with are not stupid. They do not need the knowledge nation—or the
‘noodle nation’. That is why it is disparaged so badly.

What are you going to do? When are you going to give Australians a chance to have a look at what you are made of with respect to your taxation? I will tell you what you are going to do: you are going to increase spending on this knowledge nation, by some $6 billion, and you are going to, strangely, force employers to contribute—from nine per cent currently—15 per cent compulsory superannuation contributions. That, strangely, coincides with the lowering of the company tax, which this government has lowered this 2001-02 fiscal year from 34 to 30 per cent. Last year we dropped it from 36 to 34 per cent. Now you are going to undo that which we have given to companies.

Labor are a high taxing party. There is no question about it. You are big spenders. The best thing that Australians can do is keep your fingers out of the national till. We do not want that, Madam Deputy President, do we? We do not want those big spending people to get in charge of the privy purse and to start spending. They left a black hole of over $10 billion that Senator Cook said was a balanced budget when we came into office in 1996. We do not want that to happen again. Australians do not want to see Australia coloured pink again. We went through too much pain in trying to get the budget to the position it is in now, having lowered to about half the almost $100 billion worth of debt that the Labor government had significantly built up. I do not think that Australians are going to trust the Labor Party to form a government, based on their record in the 13 years that they were in parliament and the enormous damage they did which we had to repair.

Let me just touch briefly on the private binding rulings. I think there is a problem with that. I do not think it is necessarily a good thing for Australian taxpayers or for the ATO. But one of the benefits of private binding rulings is that they certainly lower the amount of paperwork that goes through the Australian Taxation Office, the biggest consumer of A4 paper in Australia by far. These 84,000 private binding rulings that have been given by officers of the Taxation Office have, in effect, lowered appreciably the kind of paperwork, even mundane paperwork, that goes through the Australian Taxation Office, and I do not think that is necessarily a bad thing.

**Senator FORSHAW** (New South Wales) (3.14 p.m.)—During question time, Senator George Campbell asked Senator Alston, representing the Minister for Small Business, a specific question regarding the PricewaterhouseCoopers survey on small business’s reaction to the GST. As we have come to expect from Senator Alston, we received no answer at all to the question or to the supplementary question. All we received was the usual tirade of abuse directed at the Labor Party opposition and the trade union movement. The issues, however, remain. Despite Senator Alston’s total disregard for the small business community and their problems, the government is well aware that it has created a monstrous problem out there for small business. That is clear from the leaked memo from Minister Macfarlane to the cabinet which said, ‘More has to be done.’ A lot more has to be done.

At the commencement of his remarks, Senator Lightfoot said that the government had set out to ‘give Australians a chance’. Senator Lightfoot—through you, Madam Deputy President—your government has given Australians the same sort of chance with the GST as your own party has given you at the next federal election, that is, no chance at all. Small business is absolutely up in arms about this GST and the business activity statement. I was in the North Coast of New South Wales electorates last week and I was inundated with complaints from small business about the impact of the GST. These are regions in Australia that rely heavily on small businesses, both in the farming sector and in the townships. One gentleman approached me and said, ‘The GST should be referred to as the “grab, snatch and take” and the BAS should be referred to as those “bloody awful statements”.’ He has had to spend countless extra hours in his business undertaking that paperwork simply to be a tax collector for this government. That message was repeated to me over and over again as I spoke to people in those electorates. It is
interesting to note that there is no National Party senator in this chamber now prepared to get up and defend the impact of the GST and BAS on the people and small businesses of their electorates. They know that people in those regions are hurting, and are hurting deeply.

As Senator Schacht said in his remarks and as was contained in Senator Campbell’s question during question time, the Income Tax Assessment Act is now 8,500 pages long. It has more than doubled in size since you brought in the GST. This puts Tolstoy to shame: it is bigger than War and Peace! The difference is that there is no ‘peace’ for the small business community coming from the tax act. When you have a situation where, in the first six months of operation of this legislation, the Australian Taxation Office has to hand down 84,000 private binding rulings on GST issues alone, you have to ask the question: how could this be a streamlined, more efficient tax system? The answer, of course, is that it is not, and those statistics prove it. Further, the statistics that have come out of the survey by PricewaterhouseCoopers show that 59 per cent of small businesses feel that their cash flow has been seriously and adversely affected and that 84 per cent of small businesses believe that tax compliance is now more complex than it ever was before the GST. The evidence is clear and unmistakable, and we are hearing it day after day after day. The Council of Small Business Organisations of Australia leadership has made that very clear to the government. Whilst Senator Alston might try to ignore the issues and Senator Lightfoot might try to defend this government’s record, they know, as we know, that the day of reckoning is coming very soon and the message will be delivered loud and clear to this government from the small business community. (Time expired)

Senator CRANE (Western Australia) (3.19 p.m.)—I rise with some delight to speak on this issue. It is not valid to isolate the GST without looking in context at all the reforms and all the cost savings that have taken place and at all the benefits to our export industries—and I declare an interest in those—which have resulted in significantly lower costs to us. A most pleasing aspect of this reform has been that, having got to the end of the financial year on 30 June, I actually discovered that my tax return for the whole year had been done in the four business activity statements. Rather than sitting down and spending many weeks putting together my annual return, it is all there set out and done. The process of keeping your books in order and having your tax returns done is one of the many benefits, because you just pick up the documents, take them to your tax accountant and your job is done. The benefits are always forgotten.

Being a farmer, I am naturally interested in the farm sector. Not one cent is taken from your input costs that impede your benefits for the year, your costs for the year, because you get it all back. I notice that Senator Forshaw is leaving the chamber as I say that. You get it all back, unlike the wholesale sales tax. While there were some exemptions for the farm sector under the wholesale sales tax—Senator Forshaw has re-entered the chamber; thank you for coming back in, Senator Forshaw—you never got that back. That was added into the cost. A classic example was when you put—your government, the previous government—wholesale sales tax on oils and greases.

The DEPUTY PRESIDENT—Address the chair, please.

Senator CRANE—That was never returned to the farm sector, the mining sector or the export sector. We have given that all back. You have only got to look at our exports now compared with when you were in government. We are actually delivering surpluses in that sector to this country and one of the main contributors of that is our reform of the taxation system, part of which—Senator Forshaw—It is the low dollar—you know that.

Senator CRANE—The low dollar is a contributor, but we never went into the process—through you, Madam Deputy President—of artificially jacking up the dollar through intervention by the Reserve Bank. You were absolute experts at it. You were led by Keating, Hawke and company and you people all clapped your way through the pro-
cess and it cost this country billions of dollars, because you would not allow the dollar—

**Senator Forshaw**—We floated the dollar.

**Senator Crane**—You would not allow that floated dollar to reach its true level as determined by world economic judgment. You floated it. Then you intervened and messed around with it. You poured millions of dollars through the Reserve Bank to prop up our dollar and that cost us one helluva of a lot in terms of interest rates and inflation. You can roll them off your tongue; they are all there. What we want you to start doing—through you, Madam Deputy President—is to start rolling off your tongue what roll-back is all about. You talk about the size of the tax act. We know already from the few utterances from your side of the chamber that it will require at least 5,000 amendments for you to introduce and implement your roll-back. Do you think your state Labor premiers will allow you to do that? Of course they will not, because you will be taking the money from the GST back from the states. The states are not going to let you do that. You know that.

**The Deputy President**—Senator Crane, would you please address the chair and cease using the word ‘you’?

**Senator Crane**—I have been addressing the chair, Madam Deputy President.

**The Deputy President**—No, you have been using the word ‘you’.

**Senator Crane**—There have been continuous interjections from the other side. I am quite happy to sit down and abide by your rulings, but please apply them to those opposite.

**The Deputy President**—I had not heard a great number of interjections, but I was talking to the Clerk. When you use the word ‘you’, you are actually referring to the chair. That is why I am asking you to use the words ‘they’ or ‘the opposition’. Please do not use the word ‘you’ because that refers to the physical state of the chair that is presiding—not me personally, but the chair.

**Senator Crane**—I accept what you have said, Madam Deputy President, but I must say that, while you were chatting to the Clerk, I was referring to the continuous interjections by Senator Forshaw when he was not in his correct position in the chamber.

**The Deputy President**—I hope Senator Forshaw was not doing that.

**Senator Crane**—If it is good for the goose, it is good for the gander.

**Senator Forshaw**—I rise on a point of order, Madam Deputy President. If you check the *Hansard* record—and I will do so closely—I think you will find that I made a number of interjections and that I did so after Senator Crane started addressing me personally during his remarks, rather than through the chair. I would also point out that I ceased making those interjections, which I would say were very few, some time—indeed, I would suggest, a significant amount of time in the context of this debate—prior to your drawing Senator Crane’s attention just now to the need to address his remarks through the chair. I had not said anything—and neither, I think, had Senator Campbell or Senator O’Brien, who were also in the chamber—for quite some time during Senator Crane’s remarks.

**The Deputy President**—There is no point of order. Senator Forshaw, you are aware that interjections are disorderly, as is interjecting when you are not in your correct place. I would ask you to cease interjecting and I would ask Senator Crane to address the chair.

**Senator Crane**—I wish to deal with one of the comments that Senator Forshaw made. Through you, Madam Deputy President, he made particular reference during his address to the fact that there was no National Party member participating in this debate. I did no more and no less than follow precisely what he did in terms of my reference to him as he left this chamber. If he is going to apply one rule to those sitting on this side of the chamber, he should accept that the same set of rules applies to those sitting opposite. I think that is absolutely consistent. The process today is no more inconsistent than has happened to me in the past, and I can bring out copies of the *Hansard*. I have raised the matter with the President. *(Time expired)*
Senator GEORGE CAMPBELL (New South Wales) (3.26 p.m.)—I take the opportunity to speak to the motion that the Senate take note of the answer by Senator Alston to the question I asked him in respect of a survey conducted by one of the most reputable accountancy firms in this country, PricewaterhouseCoopers, of small business on their perception of the impact of the GST on their businesses. It is interesting to note that Senator Alston at no stage in the response to that question attempted to address the issues that were raised in the question. He did not attempt to answer the fact that 59 per cent of the small businesses surveyed believed that their cash flow had been substantially affected by the implementation of the GST. He did not attempt to answer at any stage in his response to my question that the vast majority of small businesses still believe that the business activity statement is too complex for them to cope with. Rather, he spent his time, as he normally does, berating, or attempting to berate, people on this side for their relationship with the trade union movement or the fact that they are members of a trade union—something that is well and truly known. I do not think it has any impact upon the general public in their perception of this place, but somehow or other he seems to get amusement out of taking that approach in debates.

It is also interesting that neither of the two coalition senators who have spoken in this debate have attempted to address the issue of the impact of the GST on small business. They raised a whole range of issues which were irrelevant to the point at debate on the matters raised in the question. Senator Alston did say at one point in his response to my question that small business was frightened of roll-back. That is simply not true, although we have become used to Senator Alston stretching the truth in many of the answers he gives to questions in this chamber.

The Chief Executive of the Council of Small Business Organisations of Australia, Rob Bastian, said on Tuesday that he rejected suggestions by the Minister for Small Business, Ian Macfarlane, that the sector was happy with existing arrangements and did not want Labor’s roll-back. He said, ‘I do not believe that. The main concern as reported to me is paperwork itself.’ The TMP Worldwide survey figures, which were highlighted in question time yesterday, showed that 73 per cent of the 6,500 businesses surveyed said that they found the new BAS as complex as the old form.

It is true that that is the case. Senators on the other side are deluding themselves if they believe that there is not widespread anxiety amongst the small business community about the application of the GST and the impact on their businesses. I have travelled a fair bit around this country and the Labor Party has held hearings all over this country to hear from the community about their perception of the GST. We have had business person after business person come before those meetings and tell us about the increased number of hours they have to spend on completing their returns under the GST. One person calculated that it had gone from something like seven hours to 25 hours in order just to complete the form. This was a person who ran a small business but also happened to be a teacher in one of our secondary schools.

The reality is that small business people also have complained bitterly about the increased cost they have to confront to pay their accountants to do the work for them. On average, most small business people told us that their tax bill had gone up from around $3,500 to somewhere in the region of $15,000 to simply comply with the requirements of the new simplified tax act. It is true that, when the GST was promoted, the Prime Minister said that this would be a new simple tax system. The only people who have found it to be simple have been the people in the ATO, because the people in the community who have been impacted by the system have found it to be complex and time consuming.

(Time expired)

Question resolved in the affirmative.

COMMITTEES

Reports: Government Responses

Senator HILL (South Australia—Minister for the Environment and Heritage) (3.32 p.m.)—I present three government responses to committee reports as listed on today’s Or-
In accordance with the usual practice, I seek leave to incorporate the documents in *Hansard*.

Leave granted.

**The responses read as follows—**

The Chairperson

Joint Standing Committee on Migration

Parliament House

CANBERRA ACT 2600

Dear Chairperson

I am writing to provide the Government’s response to the Joint Standing Committee on Migration’s (JSCM) report on its review of the Migration Legislation Amendment Bill (No 2) 2000 (the Bill), which was tabled on 9 October 2000.

I note that the Committee has recommended that the Bill proceed subject to the qualification in recommendations 2 and 7. The Government has considered the Committee’s recommendations and accepts them, subject to the following comments in relation to three of the recommendations:

**Recommendation 2**: That, in view of the alleged unintended consequences of section 486B, the section be reviewed to clarify that the test cases are not precluded and that multiple party actions in other jurisdictions are not affected by the Bill.

The Government has examined the proposed sections and Explanatory Memoranda and believes that proposed section 486B will not preclude test cases, nor will it stop multiple party actions in other jurisdictions. I will clarify this further during the House of Representatives debate on the Bill.

**Recommendation 3**: that DIMA:

- Actively examine judicial appeals to identity issues in common which may be resolved through test cases;
- Be proactive in seeking resolution of issues through test cases; and
- Publicise the test cases to maximise the number of applicants to be bound by the outcomes; and thus use the courts efficiently.

All court matters are analysed by the centralised litigation unit within my Department to ensure such matters are identified. My Department attempts to have issues resolved through test cases, however, any submission made by my Department to the Court that matters should be run as test cases is subject to the views of the court and the applicants in the matters in question.

“**Recommendation 7**: That applicants be allowed a period of 35 days as the time limit in which appeals to the High Court in migration matters may be lodged.”

The Government will move amendments during the second reading debate to implement this recommendation.

I thank the Committee for its careful consideration of the Bill.

Yours sincerely

Philip Ruddock

7 February 2001

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**Government Response to the Eighth Report of the Joint Standing Committee on Treaties**

In this Report, the Committee considers eight proposed treaty actions: a new bilateral Agreement and an annual subsidiary bilateral Agreement, tabled on 18 March 1997; and four new bilateral Agreements, a replacement bilateral Agreement, and a multilateral Convention, tabled on 13 May 1997.

The Report contains only one formal recommendation with regard to the Agreement between Australia and New Zealand concerning the establishment of the Governing Board, Technical Advisory Council and Accreditation Review Board of the Joint Accreditation System of Australia and New Zealand (JAS-ANZ). The recommendation at paragraph 3.45 of the Report is as follows:

The Joint Standing Committee on Treaties recommends that: The new Governing Board of JAS-ANZ establish a formal mechanism to evaluate the success of its aim to facilitate export enhancement.

The Government accepts the thrust of the recommendation but notes that the issue of evaluation has already substantially been dealt with by the arrangements put in place by the new Agreement. The Agreement contains provisions relating to performance monitoring, reporting and accountability which the Government considers provide effective means for review of JAS-ANZ’s performance against its objectives by the JAS-ANZ Governing Board and by both Governments.

The operations of JAS-ANZ are not formally subject to Parliamentary scrutiny. However, Parliament has the capacity to scrutinise the performance of the relevant Australian Minister in relation to JAS-ANZ, as well as the performance of the relevant Department responsible for the implementation of the Agreement.

The Agreement provides for the establishment of a Governing Board which, inter alia, shall deliver
to the Australian Minister and the New Zealand Minister no later than the end of May each year an annual statement of corporate intent covering the forthcoming fiscal year and the two following years. This information shall include the performance targets and other measures by which the performance of the Joint Accreditation System of Australia and New Zealand may be judged in relation to its objectives.

The new Agreement also provides that the Governing Board will furnish to both Ministers, within three months of the end of each financial year, its audited financial statements and a report which includes, inter alia, progress in and performance of its key activities. The new Agreement requires that the report of JAS-ANZ’s operations, its audited financial statements and the auditor’s report on those financial statements shall contain such information as is necessary to enable an informed assessment of the performance of JAS-ANZ, including comparison of the performance with the relevant statement of corporate intent.

The JAS-ANZ was established to facilitate commerce specifically by maintaining an accreditation system that would give users and trading partners confidence that Australian and New Zealand goods and services certified by accredited bodies met established standards; establishing links with relevant bodies whose function is to establish or recognise standards in relation to goods and services, including conformity assessment; and obtaining mutual recognition and acceptance of conformity assessment with relevant bodies in other countries.

The Agreement requires the Governing Board to establish performance targets and measures for assessing JAS-ANZ’s performance against these objectives. A good measure of JAS-ANZ’s performance is market demand for JAS-ANZ. The costs of JAS-ANZ’s operations are borne by those organisations seeking accreditation. Those organisations in turn recover charges from clients who seek certification for their operations, goods and services. Given the costs involved, the demand for accreditation is an effective barometer of the value put on it in the market place by private sector certifiers of goods and services and exporters who seek to use certifiers’ services.

Any external review beyond those already established under the Agreement’s provisions would be costly and time-consuming, and beyond the capabilities and financial resources of JAS-ANZ under its current cost structure. The prices charged by JAS-ANZ for those seeking accreditation would almost certainly have to be increased if such a review were to be undertaken.

**Government Response to the Eleventh Report of the Joint Standing Committee on Treaties**


The Agreement on Economic and Commercial Cooperation with Kazakhstan. The Committee’s specific recommendation in relation to the Kazakhstan Agreement is contained in paragraph 2.60 of the Report, which reads as follows:

The Joint Standing Committee on Treaties recommends that:

- Australia not ratify the proposed Economic and Commercial Agreement [ECCA] with Kazakhstan at this time,
- that Agreement should not be considered for ratification unless and until there are demonstrations by Kazakhstan of good faith in its trade and investment relations with Australia, in particular appropriate compensation for Telstra, and
- should the situation change in Kazakhstan, and before a decision is made to ratify such an Agreement, a revised National Interest Analysis should be tabled in both Houses of the Parliament including the reasons for the new circumstances.

The Government notes the JSCOT recommendation of November 1997 that ratification of the Economic and Commercial Cooperation Agreement with Kazakhstan be deferred. At that time the Government agreed with the JSCOT recommendation.

However, since JSCOT published its Report, Telstra’s difficulties with Kazakhtelecom have been resolved. Telstra advised that it received final cash debts owing to it from the SATEL joint venture in early 1998. As such Telstra’s difficulties in Kazakhstan are no longer an impediment to ratifying the ECCA. Further to this the Government of Kazakhstan advised the Australian Government in early 1999 that Kazakhtelecom and Telstra no longer had “financial liabilities to each other” and that this was no longer an impediment to ratifying the ECCA.

The Government assesses that finalisation of the ECCA would be beneficial to Australia’s com-
mmercial relations with Kazakhstan (notwith-
standing our currently modest commercial inter-
ests in Kazakhstan). The Australia-Russia and
Newly Independent States Business Council now
supports the reactivation of the ratification proc-
cess for the Agreement.

In accordance with the JSCOT recommendation,
as the situation has now changed in our trade
relations with Kazakhstan, the Government rec-
ommends that the proposal to ratify the Agree-
ment should proceed. The Government will
therefore prepare a revised National Interest
Analysis proposing this course of action and out-
lining developments in Australia’s trade relations
with Kazakhstan.

The Trade and Economic Cooperation Agreement
with Malaysia

In paragraph 3.76 of the Report the Committee
makes its specific recommendation concerning
the Malaysian Trade Agreement, it reads as fol-
lows:
The Joint Standing Committee on Treaties:
• recommends that there be a study to establish
  what, if any, other trade or financial agree-
  ments are required with the Government of
  Malaysia to extend the relationship, and in
  particular,
• whether an Investment Protection
  Agreement is required,
• whether the 1980 Double Taxation
  Agreement should be revised or re-
  placed, and
• notes the material it has received, and sup-
  ports ratification of the Trade and Economic
  Cooperation Agreement with Malaysia as
  proposed.

The Government accepted the recommendations
of the Committee and formed an Interdepartmen-
tal Committee (IDC), chaired by the Department
of Foreign Affairs and Trade, to study the two
proposals.

In considering the value of an Investment Protec-
tion Agreement with Malaysia, the IDC found
that there has been little interest shown by the
Australian business community in pursuing such
an arrangement in recent years. One of the major
reasons for this was the fact there already exists a
strong bilateral investment relationship between
the two countries. Moreover, as far as the IDC is
aware, there have not been any difficulties expe-
renced by Australian investors in Malaysia which
indicate a need for additional investment protec-
tion through an IPPA. The National Executive of
the Australia Malaysia Business Council
(AMBC) advised the Chair of the IDC that there
was no support within that body for Australia to
pursue an Investment Protection Agreement. The
AMBC represents a broad cross section of busi-
nesses with established involvement in Malaysia
and the Government is of the opinion that its
views are reflective of the relevant sections of the
business community.

The Government has therefore decided that an
Investment Protection Agreement should not
be pursued with Malaysia at this stage.

With respect to the Double Taxation Agreement,
the Government is able to advise that a Protocol
to amend the 1980 Agreement, which had taken a
number of years to negotiate, was signed on 2
August 1999. The Protocol which entered into
force on 27 July 2000 amends the 1980 Agree-
ment in a number of important respects. Two of
these (the taxation position of fees for technical
services and the extension of new tax sparing
arrangements in relation to certain designated
Malaysian development incentives) have been the
subject of Australian business concerns in the
past.

As a corollary, on 9 November 1999 there was an
exchange of Letters pursuant to the existing pro-
visions of Article 23 of the 1980 Agreement to
prolong the effect of the tax sparing provisions in
that Agreement until the revised provisions in the
Protocol take effect. The Letters entered into
force on the date of exchange.

REPRESENTATION OF QUEENSLAND
The DEPUTY PRESIDENT—I table the
original certificate of the choice of the
Queensland parliament of Mr John Cherry as
a senator to fill the vacancy caused by the
resignation of Senator Woodley.

CENTENARY OF FEDERATION
COMMENORATIVE MEETING:
DOCUMENTS AND VIDEOS
The DEPUTY PRESIDENT—For the
information of the Senate, I present the fol-
lowing documents and videotapes relating to
the Centenary of Federation celebrations:
commemorative sittings of the Senate, 9 and
10 May 2001, and Centenary of Federation
sitting of the Senate, 10 May 2001.

COMMITTEES
Appropriations and Staffing Committee
Report
The DEPUTY PRESIDENT—I present
the annual report for 2000-01 of the Standing
Committee on Appropriations and Staffing.
Ordered that the report be printed.

WORK OF COMMITTEES


Ordered that the report be printed.

DOCUMENTS

Auditor-General’s Reports
Report No. 6 of 2001-02

The DEPUTY PRESIDENT—In accordance with the provisions of the Auditor-General’s Act 1997, I present the following report of the Auditor-General: Report No. 6 of 2001-02—Performance Audit - Commonwealth Fisheries Management: Follow-up Audit.

Report No. 7 of 2001-02

The DEPUTY PRESIDENT—In accordance with the provisions of the Auditor-General’s Act 1997, I present the following report of the Auditor-General: Report No. 7 of 2001-02—Audit Activity Report: January to June 2001: Summary of Outcomes.

Report No. 8 of 2001-02

The DEPUTY PRESIDENT—In accordance with the provisions of the Auditor-General’s Act 1997, I present the following report of the Auditor-General: Report No. 8 of 2001-02—Assurance and Control Assessment Audit - Disposal of Infrastructure, Plant and Equipment.

PATENTS AMENDMENT BILL 2001

Report of Economics Legislation Committee

Senator CALVERT (Tasmania) (3.34 p.m.)—On behalf of Senator Gibson, on behalf of the Economics Legislation Committee, I present the report of the Economics Legislation Committee on the provisions of the Patents Amendment Bill 2001, together with submissions received by the committee.

Ordered that the report be printed.

COMMITTEES

Legal and Constitutional Legislation Committee

Meeting

Motion (by Senator Calvert, at the request of Senator Payne)—by leave—agreed to:

That the Legal and Constitutional Legislation Committee be authorised to hold a public meeting during the sitting of the Senate today, from 5.30 pm till 7.30 pm, to take evidence for the committee’s inquiry into the provisions of the Cybercrime Bill 2001.

Membership

The DEPUTY PRESIDENT—The President has received letters from party leaders seeking variations to the membership of certain committees.

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

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

Community Affairs Legislation and References Committees—

Participating member: Senator Cherry for matters relating to family and community services

Economics Legislation Committee—

Substitute member: Senator Cherry to replace Senator Murray for the consideration of the provisions of the Taxation Laws Amendment (Research and Development) Bill 2001

Employment, Workplace Relations, Small Business and Education Legislation and References Committees—

Discharged: Senator Lees, as a substitute member to replace Senator Stott Despoja for matters relating to employment

Substitute member: Senator Cherry to replace Senator Stott Despoja for matters relating to employment

Native Title and the Aboriginal and Torres Strait Islander Land Fund—Joint Statutory Committee—

Appointed: Senator Lees

Rural and Regional Affairs and Transport Legislation Committee—

Appointed: Senator Cherry

Discharged: Senator Ridgeway
Substitute member: Senator Calvert to replace Senator McGauran for the committee’s inquiry into the administration of AusSAR in relation to the search for Margaret J.

**BILLs RETURNED FROM THE HOUSE OF REPRESENTATIVES**

Message received from the House of Representatives agreeing to the amendments made by the Senate to the following bill:

Workplace Relations Amendment (Termination of Employment) Bill 2000

**JOB NETWORK MONITORING AUTHORITY BILL 2000 [NO. 2]**

Second Reading

Debate resumed from 31 October 2000, on motion by Senator Jacinta Collins:

That this bill be now read a second time.

Senator GEORGE CAMPBELL (New South Wales) (3.37 p.m.)—The Job Network Monitoring Authority Bill 2000 [No. 2] seeks to establish the Job Network Monitoring Authority to correct the abject failure of the Minister for Employment, Workplace Relations and Small Business, Mr Abbott, to control the accountability of the Job Network. The bill also attempts to deal with some of the rorts that have recently been exposed in the way in which Job Network is being used. I find it interesting to look back at some of the speeches made by this minister about his portfolio. In an address to the H.R. Nicholls Society in May 2000, entitled ‘Constructive Compassion’, the minister said:

The Job Network and Work for the Dole are good examples of how the new politics can create social enterprise rather than government enterprise. The Job Network replaced a 50 year old bureaucratic monolith working to the public sector rule book with more than 200 private, community-based and charitable organisations with a mandate to do whatever they thought was necessary to get people into work.

Certainly, the evidence of what was occurring with the phantom jobs is that the service providers were pretty keen on making money. Whether or not they were as keen on running the service and providing jobs or putting unemployed people into the jobs is another matter, a matter for question. That is one of the issues that would be addressed by the network monitoring authority. We spend something like $3 billion a year on the Job Network. We ought to be able to expect to achieve a substantial return for that investment. We ought to be able to expect that that amount of money is being maximised in terms of the contribution that it can make to getting people into employment.

The best security that workers in this country can have is full-time, secure jobs. I noticed the other day that, again, there has been a collapse in the number of people in full-time employment. Again, we are seeing insecurity as the mechanism being used as the motivating force for trying to control workers in the workplace. Secure, full-time jobs were at the heart of the recent dispute at Tristar. When people feel secure in their employment then issues such as entitlements would not take on the same dimension if they have done in recent times or as they have done over the past two or three years. Once again it is interesting to look at some of the speeches of the minister responsible for this portfolio. In a speech about mutual obligation and the social fabric—I think it was the Bert Kelly Lecture to the Centre for Independent Studies—the minister said:

Tackling unemployment is not just a matter of creating more jobs or training up skilled workers. If we do not create more jobs and if we do not provide workers with the skills to match the demand for workers in the labour force then how are we going to tackle the issue? How else are you going to tackle the issue? He also said:

It requires powerful incentives for long-term job seekers to take the jobs that are there as well as new types of work for people who can’t readily find paid employment.

If the jobs are not there, you are not going to be able to find them. If there are more people seeking work than there are jobs in the economy then someone is going to miss out.

If there are skills shortages, and we do not have the capacity to meet that skills demand—and this government has made substantial cuts in the area of vocational education and training, a key element and a key resource to enable workers to gain the necessary skills to meet the demand for skilled workers in the economy—how are we going
to get them job ready? It is an absolute non-sense and contradiction in terms to use the language the minister is using in dealing with this issue, but then we have become well used to ministers in this government using language and rhetoric which is at odds with the reality of what is happening out in the workplace. Again, it is interesting to go back and read some of the Mr Abbott’s comments. He said:

The Government believes that human enterprises work best when participants talk among themselves first rather than to third parties.

What did he do in the Tristar dispute? The parties were seeking to negotiate. Where was the minister on the weekend? He was out there saying to the company: ‘You should not concede. You should not negotiate. You should not reach agreement.’ This is from a minister who says that the parties should be left alone to make their own arrangements in terms of industrial relations at their enterprise. He also said:

Above all, we’ve encouraged people to make individual or collective enterprise agreements which suit the conditions of their own workplaces rather than operate under one-size-fits-all industry standards.

What did the minister do in that dispute? Again, he was out there saying to the employers: ‘You shouldn’t give in. You should not make concessions.’ How do you negotiate an enterprise agreement for an enterprise that is tailored to meet the requirements of that enterprise if the minister is saying that you should not concede on those types of issues? How do you negotiate an outcome if you have third parties intervening in the process who are attempting to direct the negotiations from afar and to achieve outcomes that are ideologically driven rather than driven through looking at the circumstances of that enterprise from a practical point of view?

Mr Abbott is a failed priest. But he has become a missionary zealot for the ideological right-wing, conservative viewpoints that are harnessed in organisations such as the H.R. Nicholls Society. He has become the zealot who is out there promoting those points of views on every single issue. Attacking the poor is one example. Attacking workers who are trying to negotiate security over their entitlements is another. He has become the zealot who is out there promoting the agenda of this government.

The establishment of this authority is important, given all that has happened in recent times, so that we will have an authority that will provide an independent and accountable means of monitoring the actions and outcomes of the Job Network, as well as the department’s management of it. The authority will report to the parliament and to the minister on the operations of the Job Network, including on the effectiveness of Job Network programs and the effectiveness of DEWRSB in monitoring Job Network members for contractual compliance, performance and quality and equity of service delivery, and on complaints made to DEWRSB with respect to the Job Network. It is also proposed that the authority will be able to act as an independent complaints review mechanism.

That sort of mechanism is essential to have in place when you have a program of the size of the Job Network—as I said, somewhere in the region of $3 billion per year is being spent in that area—to ensure that it is not open to rorting and that people are not manipulating the process to maximise the profit and return to them as opposed to maximising the profit and return to the unemployed of this country. At the end of the day we are spending that $3 billion for one purpose: to maximise the number of unemployed people in this country that we can put into employment as quickly as possible. It is incumbent upon this parliament, as indeed it is incumbent upon the minister, to ensure that those programs are being applied in the most effective way they can be.

Under our proposal the authority will consist of a small number of staff, as well as a chief executive officer, and will need to work closely with DEWRSB to carry out its functions. Its main task will be to provide public accountability for the operations of Job Network members, as well as for DEWRSB’s management of the Job Network. Information pertaining to the main functions of the Job Network monitoring authority will be made available to the minister, the parlia-
ment and the public. The proposal is that there will be open parliamentary accountability for the way in which the network is managed and that there will be open accountability to the parliament to ensure that those $3 billion are spent in the most effective way to maximise the job opportunities that are out there for the unemployed.

I wonder how much time the minister spends every day worrying about the programs that he has within his portfolio, going through the various programs that he is responsible for and applying scrutiny to ensure that they are operating in the most effective way. Anyone who watches this minister or hears his frequent interviews on radio or television would have to come to the conclusion that he spends much more of his time sitting down concocting one-liners that he can throw out to the press or subjecting those in the community who are least able to respond to another one of his attacks or diatribes. In recent times we have seen people manipulating the processes of the program to maximise payments to themselves rather than maximising the returns to the unemployed. Minister Abbott has clearly demonstrated that he is utterly incapable of managing his portfolio, including the Job Network. He is widely described around the place as the minister with ‘L’ plates on.

The Job Network was set up in 1998, and it has contracts totalling $3 billion that are in place for the next couple of years. Currently there is no provision for independent scrutiny, but it needs it. I can recall being a member of the Senate committee on workplace relations and education which conducted an inquiry into the Job Network at the time these contracts were let. I went around the country with others, including Senator Kim Carr from this side and Senator Tierney from the other side, hearing perplexing stories from a wide variety of organisations which were part of the old system as to why they had been dropped out of the new system.

These were not organisations that were underperformers and these were not organisations which had performed extremely effectively in terms of the way in which they had delivered programs for the unemployed in their areas. Many of them were in regional areas. One has to wonder how the Job Network program has been managed and what the rationale was behind many of the decisions that were taken to change the structure of the programs back in 1998, I think it was, to bring a range of new players into the system, some of whom had no prior experience at all in the area of dealing with the unemployed.

It is no wonder that the McClure report, which is ACOSS’s evaluation of the performance of the Job Network, and papers by a number of academic and welfare groups have been highly critical of its operation. They have been highly critical of the way in which this network has performed. The Auditor-General’s report into Job Network stated that DEWRSB was not doing an adequate job in monitoring the network. It is obvious there is a need for an independent authority that not only is capable of critically analysing the workings of the Job Network—in particular, examining DEWRSB’s monitoring of it—and coming up with broad policy recommendations for public discussion but also is able to ensure that the public, the community, is getting the best bang for its buck in terms of what is being expended on this program.

As we said, for $3 billion we are entitled to feel comfortable that that is being used as an effective resource on behalf of the unemployed. It is envisaged in our bill that the authority would, in addition to working with DEWRSB, work with Job Network members and community groups to facilitate those public discussions. It is important to note that the bill does not give the authority the power to change or manage Job Network contracts; it is only a role of independent scrutiny. However, it is a critically important role, because the Job Network program, in conjunction with our vocational education and training system, is the key element in providing the unemployed—whether they be short-term or long-term unemployed, whether they be mature age workers or whether they be young people just out of school—with the capacity to find their place.
in the work force. That has to be done by not only being able to match those individuals to the jobs that are available but, more importantly, being able to develop a system whereby the unemployed can get the skills that are necessary to be able to meet the demands that are there in the economy for various types of workers. That can only be done with a combination of both those programs.

It is obvious that there is no coordination between the two. It is obvious that the minister has not been applying himself to ensuring that Job Network is operating in the most effective manner. If he had been, we would not have had the examples that came out in July and we would not have had headlines like ‘Doubt cast on $3 billion in job contracts’ or ‘Job agency rorts worse than feared’ or ‘Minister attacked on dole cheat comments’ or ‘Job Network places fewer in second year’, et cetera. We should not have to be confronted with those types of headlines in the newspapers. We should have an authority that is effectively monitoring the programs that are out there. We should have a minister who is committed to ensuring that the programs under his control are being used effectively on behalf of those unemployed members of the community and who is not preoccupied with simply getting one-liners that will get him a headline that will maybe enhance his capacity to be the deputy leader of the opposition after the next election. There will be a vacancy, and obviously he assumes that vacancy will go to someone in New South Wales. That is on the assumption that the Treasurer will be the next leader of the opposition. So it is all based on assumption.

I came into this parliament in the early nineties, at a time when unemployment was at 11 per cent. What was the Labor Party’s response to that? Before I go into their specific measures, I remind the Senate of what the Senate committees found out about the problem of getting people into work during the early nineties under the Hawke-Keating government. We conducted three different inquiries at that time. One was called: ‘Wanted: our future’. It was an inquiry into youth unemployment. We had hearings around the country. We listened to youth groups and to people who employed youth, and we heard about the devastation that was wrought on the next generation by the then Labor government where unemployment rates for youth were through the roof—up around 30 per cent. Under this government, it has come down quite remarkably. It was up high; it stayed high. Whatever programs Labor thought they had operating at that time certainly did nothing for the youth of this country. The second inquiry we held was into long-term unemployment. That was an even sadder inquiry in terms of the people who had been out of work for six months, 12 months and 24 months.

As a matter of fact, at one point in time, the last Labor government reduced long-term unemployment dramatically in one stroke by redefining the time that people were considered to be long-term unemployed. They went through a lot of very tricky statistical tricks to try to make it seem as though unemployment was not as high as it was, but it certainly was very high at that time. We heard during that inquiry—and I particularly remember the inquiry at Campbelltown—about people who had been thrown on the unemployment scrap heap at the age of 50 and about their difficulty in trying to get cally a little later in my contribution today. I will start by widening the frame a little further than Senator Campbell did in going back to 1998. I listened carefully to Senator Campbell’s contribution. He was incredibly quiet on Labor’s record before 1996 in the whole area of helping people find jobs. He had very good reason to be quiet because, in that earlier time, the ALP’s record was an absolute disgrace.
back into any sort of work and about the incredible inadequacy of the programs that the Labor government at that time set up.

A third inquiry was into regional unemployment. We found right around the nation how, if you are outside the capital cities, it was much harder to get employment and we heard about the total ineffectiveness of the then Labor government’s approach to rural and regional unemployment. As a matter of fact, one of the great black holes of the Hawke and Keating government policy for 13 years was the bush. What specific programs did they have to assist people in rural and regional Australia? They had diddly-squat. It was only in the last 18 months of government that they set up regional development organisations. What they managed to do was employ a person in an office and give them a desk and a telephone; and they employed 200 bureaucrats in Canberra to administer it. This was their answer to regional development and unemployment—a totally inadequate response.

When they really figured out they had a major problem on their hands was about 1992, when unemployment hit this 11 per cent level. They brought in a program to solve all this called Working Nation. What a title! Eleven per cent unemployment and you set up a program called Working Nation! Obviously the bureaucrat who came up with that one had a warped sense of humour. I assume it was meant in irony, because that is exactly what was not happening to a huge number of youth in this country, to a huge number of the long-term unemployed and to a huge number of people in rural and regional Australia. They did not have jobs at all. They were not working. But Labor came up with a big program and threw billions at it. They put so much money into this program that in one year, in 1994, at the end of the financial year, they had to hand back half a billion dollars. They could not spend it because of the nature of the programs that they had set up at that time. Their answer was, ‘Let’s start with the university system.’ It was the early 1990s and they were turning away 50,000 students who wanted to get into university, who were qualified to get into university but for whom there were not enough places. They were turning away 50,000.

Let us go to the apprenticeship system, another form of training. Under Labor, particularly in the last half of their government, apprenticeships plummeted in this country to the lowest level ever. No matter what they tried, they could not revive that system and get apprenticeships rebuilt. It was only when our government came into power, particularly with the New Apprenticeships system, that it turned around and the number involved rocketed dramatically. The number of apprenticeships has increased under this government. Back under so-called Working Nation, under the Hawke-Keating government, apprenticeships went through the floor.

What else did they have? They had a whole lot of mickey mouse programs—what were called labour market programs. These were short course programs and people were supposed to get skills under these sorts of programs. I can remember going around to different places that were running these programs and two things always struck you, no matter where you turned up, whether it was a Skillshare or what on earth it was. Firstly, there were not too many people around and, secondly, not too much was happening. That was the overwhelming impression every time I went to one of these places. Even if the people did get skills, the whole philosophy and approach was, ‘Let’s give people some skills.’ Bar courses were very popular at one point, so a whole lot of people got skills in bar work. None of it was actually tied to any jobs at the end in any way.

We can all remember that Kim Beazley was the minister for employment—he seems to go through a lot of portfolios where disaster follows him and it was certainly the case in employment. He was in Wollongong, and we all remember the footage on TV. He was in front of an audience of youth and he was saying, ‘We have these labour market programs’, and one voice in the audience said, ‘But there are no jobs.’ In Wollongong at the time they claimed that they were the best trained unemployment queue in the world because they would do a short course in one of these labour market programs, they would try to find a job, but there was no job,
and then they would come back and do another short course. Of course, they were taken off the unemployment list when they were doing a short course. That is how Labor were fudging the figures as well. When unemployment was 11 per cent, it was actually considerably higher. At the end of the second course they would not find a job so they would go back and do another course. We had the best trained unemployment queues in the world. That was the record of the previous Labor government. I am not surprised that the first speaker, Senator George Campbell, said nothing about Labor’s absolutely appalling record.

What will Labor do in the future? What is Labor set up to do? I wonder. We have a policy-free zone opposite again. Something called Knowledge Nation came out. It was full of waffle and a whole lot of excellent objectives that people could agree with and, in a perfect world with unlimited budgets, you might be able to do, but it certainly was not a blueprint for responsible government. What are we going to do in 2002? What are we going to do in 2003? You look through Knowledge Nation in vain to find any specific program. Those opposite are a blank sheet. The alternative government in this country is a blank sheet. When they were the government they were an absolute disaster. One would assume that, as they are a blank sheet now and they do not agree with our programs currently, we will go back into a disaster zone if we are unfortunate enough to have them as a government after the next election.

When we came into power we decided that what was there was not working and that we needed a radically new approach. That is when the Job Network system was started. The Job Network system has consistently outperformed the previous system. The Job Network Monitoring Authority Bill 2000 [No. 2] is trying to regulate, it claims, the Job Network system to get better outcomes. What the bill totally ignores—and I will go through this section by section—are the programs that are already in place to do what the bill says it is setting out to do. In the area of monitoring, it sets up new procedures, totally ignoring the monitoring systems that are in place. In the area of evaluation, it sets up a new system, but it is totally ignoring what we already have in place. And, in the area of complaints resolution, it sets up a new system, again ignoring what we have in place.

I want to go through these three aspects and prove that this bill is totally superfluous, that we do not need new legislation and that we do not need this new authority. The reason is that in the three areas that the new bill addresses we already have procedures in place and they are working quite effectively. Let us have a look at monitoring. Clause 6(1) of the bill states:

(a) to monitor and evaluate the operation of the Job Network

(ii) the effectiveness of DEWRSB in monitoring Job Network.

Let us go through those points. If we look at what is in place already, you would wonder why you need a totally new authority. There are a lot of bodies that monitor and check what is happening in the Job Network. To name a few, there is obviously parliamentary scrutiny, there are statutory agencies—for example, the Australian National Audit Office—there is the Office of the Ombudsman, the Australian Competition and Consumer Commission, the Privacy Commissioner, the Human Rights and Equal Opportunity Commissioner, there are also interest groups that keep a very careful eye on it, such as ACOSS, and a raft of academics constantly studying it as well. So there is a whole range of mechanisms which monitors what is happening in the Job Network. Any extra scrutiny would be counterproductive because it would impose yet another layer of bureaucracy on the system. The government has in place comprehensive governance arrangements that ensure Job Network providers will deliver quality service and comply with the terms and conditions of their contract. We do not need to establish an independent regulatory authority to do that.

All Job Network members are required to comply with the Job Network code of conduct, which forms part of their contract with the Commonwealth. The code sets out minimum standards of service and comprises a set of principles, commitments and measur-
able service standards for the delivery of ethical, professional and relevant assistance. In addition, the department has established an integrity committee, chaired by the secretary to the department, and it has responsibility for, amongst other things, ensuring the government’s policies, programs and services are delivered in accordance with high ethical standards in the spirit intended. The committee’s objective is to develop and foster an environment of openness and high standards of ethics and integrity both within the department and in its contractual arrangements with other agencies.

The department also has in place a very comprehensive contract performance monitoring framework for Job Network. The principles and objectives of this framework are to ensure that Job Network members deliver the services that they are contracted to deliver and that they comply strictly with the terms and conditions of their contractual obligations to the Commonwealth. The department also conducts on-site audits of Job Network members to assess their performance against principles and their commitment to service standards specified in the code of conduct. Most Job Network members view quality audits as a valuable tool that assists them to deliver a better service and provide better quality. Quality audits can be initiated by the department where the Job Network member is the subject of continuing complaint or the subject of a particular serious complaint. Also, quality audits have been conducted on Job Network sites that exhibit best practice. In the 12 months to June 2001, 92 quality audits were performed and a further 25 were planned in the next three months.

Turning to evaluation, clause 6 of this new bill says:

(1) Subject to this Act, the Authority’s functions are:
(a) to monitor and evaluate operations of the Job Network.

These sorts of things are happening already. We do not need to establish an independent regulatory authority to perform tasks that are already being performed. There is an effective evaluation procedure in place. There has been a number of reports on how it has operated to date—Job Network Evaluation Stage One report, May 2000, and Job Network Evaluation Stage Two report, May 2001—and there is another report due in December of this year. The department also released in April 2001 the Job Network: A Net Impact Study report. This measures the difference in outcome achieved by those receiving Job Network assistance compared to a control group of similar job seekers who did not. In March 2001 the department released the Job Network member performance ratings. These rate individual Job Network members on the basis of a one to five star assessment system, reflecting their relative achievement. In addition, the department issues labour market assistance outcome reports every quarter. In addition to all of this work on evaluation, the government has announced that the Productivity Commission is to conduct a public inquiry into the Job Network, commencing shortly and reporting in 2002.

Turning finally to the issue of complaints, which one would assume is what has sparked opposition calls for this authority. Let us look at how the Job Network system handles complaints. If a job seeker or an employee or any other party believes that a Job Network member is not delivering a service in accordance with the principles and commitments set out in the code of conduct, they are encouraged in the first instance to raise their concerns with the relevant Job Network member. A customer service operator will assist to resolve the complaint and will investigate the matter further if appropriate. Customer service operators can require Job Network members to take remedial action on complaints.

The department operates a free Job Network customer service line staffed by customer service officers in each state and territory. Through this line customer service operators can assist callers by providing advice, resolving complaints and investigating concerns as appropriate. Customer service operators can also require Job Network members to take remedial action on complaints.
In the 12 months to 30 June 2001 there were approximately 19,000 calls to the customer service line. Approximately 59 per cent of calls were simple queries or requests for information. The remaining calls related to complaints about Job Network, particularly the quality of service provided. Job seekers represented 80 per cent of calls to the customer service line with over 97 per cent of these problems being resolved within seven days.

Not only do we have a system that is far more effective than that which operated under the last Labor government but we have a system which very effectively covers these three major areas—monitoring, evaluation and complaint resolution—that are supposed to be investigated by the authority this bill purports to set up. I say to the parliament that we do not need an extra layer of bureaucracy, because these areas are already covered by an adequate mechanism that is in place.

The ACTING DEPUTY PRESIDENT (Senator Sherry)—Just before I call Senator John Cherry, I indicate to the Senate that this is not the senator’s first speech and, in calling him, I am acting in accordance with the standing orders and the traditions of the Senate.

Senator CHERRY (Queensland) (4.17 p.m.)—I am rising to put on the record the Democrats’ general support for the Job Network Monitoring Authority Bill 2000 [No. 2] as presented in general business today. I welcome the opportunity to speak on this occasion, it not being my first speech—

Senator McGauran—It is his first speech.

Senator CHERRY—It is not my first speech—

The ACTING DEPUTY PRESIDENT (Senator Sherry)—Order, Senator McGauran!

Senator CHERRY—as I consider the whole issue of how we treat the jobless in Australia to be one of the most important issues facing Australia today and, in particular, how we treat some of our most disadvantaged people.

Senator McGauran—It is not his first speech but it is his first speech!
best trained dole force in the world. We now have the most underemployed work force in the world. There are over 682,000 unemployed people in Australia. In addition, the participation rate has fallen in the last month as more people give up looking for work and disappear into the growing pool of hidden unemployed in Australia. At the same time we know that they are chasing only 95,000 vacancies. This means that unemployed people are under very great pressure. There simply are not enough jobs to go around. This government, while it likes to boast about its achievements in employment, says very little about the unemployed, their poverty and the lack of opportunities they face, as evidenced by Senator Vanstone’s answers today. It does not matter how much training you give people, how many you-beaut Job Network services you offer or even how hard you breach them or preach to them; if there are not enough jobs, there just are not enough jobs. That is the major challenge for this government and any future Labor government.

The government remains callous about the income levels of the unemployed and it remains focused on reducing taxes for the well-off. It sets aside the issues that affect the truly poor in our communities in favour of offering electoral bribes. To have unscrupulous Job Network providers making money out of them as well is an outrage. It must be stopped. Clearly the government’s current monitoring approach is too soft, too slow and, as the minister himself admitted on the front page of the Age last weekend, could turn into a cancer. There obviously are scams at work out there. Some people are making a lot of money out of the unemployed. This is thoroughly repugnant. It undermines the good work of legitimate, sincere Job Network providers who would never be involved in scams or rip-offs of the unemployed but who work hard to train and assist the unemployed.

The government, having privatised Job Network services and allowed people to make money out of the unemployed, have a high moral responsibility to prevent Job Network placements that are really fake jobs or cut down jobs that split jobs into little bits to make more money for providers. They also have a moral responsibility to make sure that the unemployed are not uselessly churned through fake jobs or pushed circuitously through labour hire agencies.

The current machinery for monitoring this scheme has proved hopelessly inadequate, as the Democrats have long said both inside and outside this chamber. The government must move quickly to cut out scams, prosecute those who have broken the law and, more significantly, face up to the fact that there are not enough jobs out there and that the current policy mix is not doing enough either to create them or to protect the disadvantaged. If the government insist on sticking to a policy that privatises job placement services, they have a moral responsibility to pass laws that will give some real teeth to monitor and prosecute those who rip off the unemployed and who give those Job Network providers who are attempting to do a good job a bad name. Of course, the Democrats have consistently opposed the privatisation of job placement services. As Senator Stott Despoja put on the public record in this place in 1998:

...Job Network is flawed in its conception, design and indeed in its implementation...

We have called for reviews for some years. Job providers do not necessarily work better just because someone makes a profit out of them, and we have many supporters of this view. The OECD, for example, found that there was little difference between the outcomes arising from Job Network and the Working Nation. They said:

While Job Network has cut down on costs compared to previous labour market programmes, the actual results in terms of raising the exit rates of benefit recipients from unemployment into jobs, are not so different from those achieved under the Working Nation initiative of the previous government. Until recently, at least, the programmes did not seem to be having much impact on core long-term unemployment overall.

This raises the important issue of what Labor would do in relation to Job Network. Despite all the evidence of rorts, of a system that is not adequately monitored, policed or super-
vised and of outcomes that are not much different, especially for the long-term unemployed, Labor do not oppose the Job Network. They simply want to have an oversight body established—another level of bureaucracy to keep an eye on the bureaucracy.

We will support this bill not because it is a perfect solution to the problems before us but because it is a start. It is necessary, given recent events, but is far from enough. Job Network is not doing the job well enough for Australia’s unemployed. Some Job Network bodies, not the majority but some, are churning, short-changing or simply ripping off the system. They should be stopped. The entire operation of a privatised system for the provision of a public good needs overturning. Both Labor and the coalition are wrong in allowing profit to be made from services that should be publicly provided, not for profit, to all Australians who need them.

Senator HUTCHINS (New South Wales) (4.25 p.m.)—That was a very thoughtful contribution from our newest member of the Senate. I am sure you would agree with me, Mr Acting Deputy President Sherry, that the Job Network Monitoring Authority Bill 2000 [No. 2] is necessary today because of the way the government has botched its job program. The fact that it has been botched does not surprise me at all because I have to admit that I have known the minister, Mr Tony Abbott, since about 1975. We were on the same campus at Sydney University. Tony Abbott first came to my attention when he and his goons used to come around and break up our rallies in support of Gough Whitlam. They used to turn up—and I am not sure whether they had been out having their usual drinking sessions or chasing women or whatever else—and try to break up our rallies. Of course, we did not respond; we treated them in the way that you should treat those sorts of goons: we completely ignored them. I was a delegate to the AUS once—I think it was in 1977—and I and my moderate Labor colleagues at Sydney University forgot to run for the five spots. It was an accident and I regret it because of the way in which the preferences worked out: we took four of the five positions, but unfortunately Tony Abbott got the fifth. It was a lesson I learned, and I never made that mistake again. When I ran tickets in union elections or party ballots, I always put up a full ticket. So it is to my regret that we had Mr Abbott elected to the AUS. Of course, we saw his antics there and the stunts that he and his goonish colleagues used to pull.

As I say, it is of no surprise to me that the Job Network is in difficulty. Where I come from in Western Sydney we would refer to Mr Abbott as someone who has ‘sexy fingers’, because we would say that everything he touches he stuffs. If you look at the way in which he has handled this portfolio and the way in which he has handled a number of things in his political career, you would expect the outcome that we are seeing today where Labor has to introduce legislation in the parliament to make sure that there is an authority to monitor the crumbling Job Network system. As I said, the way in which Mr Abbott has conducted himself in this portfolio and in politics generally does not surprise me, and it should not surprise anybody else. Mr Acting Deputy President, you may recall that Mr Abbott was responsible for the employment of our first One Nation MP in this country, Mr David Oldfield, when in fact he was a Liberal Party activist in the northern suburbs of Sydney.

Senator Conroy—That is a very generous description.

Senator HUTCHINS—I know, Senator Conroy, but I am in a generous mood this afternoon. Mr Abbott gave us the first One Nation MP in this country, David Oldfield. You would not know what sort of machinations he and his crew in their northern suburbs offices in Sydney were up to with One Nation and with the extreme right of politics in this country. It is one legacy that Mr Abbott has left us, and it will be a legacy that the people of New South Wales—

Senator Boswell—Mr Acting Deputy President, I rise on a point of order. The point of order is that it is well known that Mr Abbott fought the far right—

The ACTING DEPUTY PRESIDENT (Senator Sherry)—Order, Senator! That is not a point of order.
Senator Boswell—We could look at another point of order, which is misrepresentation. Senator Hutchins is misrepresenting Mr Abbott.

The ACTING DEPUTY PRESIDENT—Senator Boswell, that is not a point of order. That is my ruling; will you please sit down.

Senator Hutchins—I am not sure whether Mr Abbott is giving the extreme right a bad name and you had to get up and defend him on those grounds. I am not sure what the Leader of the National Party in the Senate felt he had to get up and defend Mr Abbott about. As I said, Mr Abbott is responsible for David Oldfield, our first One Nation MP. Mr Abbott was also one of the leading antirepublican campaigners in the referendum in 1999. As you may or may not be aware, Mr Acting Deputy President, his own electorate voted for the republic; that is how successful Mr Abbott was. As I said, that is the tenor of this man and his contribution to politics.

This afternoon, we in the Labor Party once again have to provide the leadership in this country to make sure that this Job Network starts to work and perform for the taxpayers who are funding it. As you would be aware, Mr Acting Deputy President, this bill establishes what we would call a Job Network Monitoring Authority, which would independently monitor the outcomes and actions of the Job Network and the department of employment’s management of it. This authority would report to and be accountable to parliament on issues relating to the effectiveness of Job Network and the effectiveness of the department in monitoring Job Network members for compliance, performance, quality and equity.

The authority would also act as a complaints review mechanism. It would consist of a chief executive officer and a small number of staff. It would not have power to change or manage Job Network contracts. Its role would be to ensure that the department adequately monitored those contracts. This authority would be similar to the disbanded Employment Services Regulation Authority.

The Job Network was set up in 1996 to replace the CES. When it was introduced, there were no provisions for independent scrutiny. It now has in place, over the next three years, contracts totalling $3 billion. That is a lot of money for Australians to invest, and it is a scandal that we have no independent authority to monitor exactly what is going on there. Mr Abbott’s Job Network has failed. It has created fewer jobs than Labor’s Working Nation. It has failed to create jobs for the disadvantaged. It has massively been rorted by agencies through the creation of phantom jobs and through job splitting and serial placements. Mr Abbott, Mr Brough and the department have been made aware of these problems and have done nothing about it.

We need an independent monitor to: (1) assess the performance of the Job Network; (2) make the Job Network’s performance accountable to parliament; (3) make the system work; (4) stop the rorts; and (5) ensure that it works for the disadvantaged. Our key points in this legislation are: firstly, the government is presiding over a disaster for the unemployed and it has taken Labor to show this; and, secondly, we have a policy solution to fix Job Network.

As I said, there has been rorting by agencies. As I understand, it was discovered by Labor members through the Senate estimates committee in June this year that many job agencies have been filling phantom jobs in order to claim incorrect payments from the Commonwealth. Some Job Network agencies set up labour hire companies, then hire an unemployed person for a few days and thereby claim a $400 payment from the government. One such agency was Leonie Green and Associates, which has admitted to placing 2,300 people into jobs in this manner. The government has now asked this agency to pay back $70,000. These people are simply asked to look for work. In one case, the agency IPA used Job Network clients as promotional walkers to distribute flyers promoting itself. The agency then paid these people as little as $10 an hour for 15 hours work, claimed the $400 from the government and made $250 a head profit. The Sunday Age reported that the Director of Public...
Prosecutions is considering laying charges against five individuals working for Job Network agencies over possible fraudulent activities. In fact, the Salvation Army’s Job Network agency, Employment Plus, has been asked to repay $45,000 in falsely claimed payments. So we have $70,000 from someone and $45,000 from someone else.

Mr Abbott carries a great deal of the blame for this. When he expanded Job Network to Job Network 2, Labor, community groups and Job Network agencies themselves warned that the system was open to abuse. Labor originally put forward the proposal contained in this bill to ensure proper scrutiny of the contracts being performed. If the government were to accept this bill, it would be less likely that this massive rorting would be allowed to happen again in the future.

I said that there were three ways that Job Network was being ripped off. I have already mentioned the phantom jobs issue. Another area where it is exploited is in what is called job splitting. This is where a single full-time job is divided into a number of part-time jobs so as to receive multiple payments—that is the scam. In a speech to the National Employment Services Conference on 24 July this year, employment services minister, Mal Brough, admitted that this was a problem in the Job Network. That was in July, and we have seen no response from the government.

The third area was serial placements. This is where the same job seeker is repeatedly sacked and then put back into the same job to receive the multiple rorted payments. Once again, at the conference on 24 July this year, the minister, Mr Brough, admitted that this was a problem. But there are no solutions, and it is up to Labor to provide some solutions, as we are doing here this afternoon. There is a need for some sort of authority to look into these matters, and in May this year there was an evaluation report from the department of employment. It found that disadvantaged groups were not faring well under this program, including older job seekers, the long-term unemployed, the poorly educated, indigenous job seekers and the disabled. However, this report did not assess the actual performance of the Job Network; that is, the Job Network’s effectiveness in securing sustainable employment for job seekers or the extent to which the Job Network delivers value for money. I believe an independent authority would deliver independent advice on these crucial matters. It would also facilitate public discussion on how to address issues like finding employment for the disadvantaged. In fact, the government’s own interim McClure report into welfare reform said in March last year things like this: Assistance is fragmented, disjointed and focussed on un-coordinated program outcomes.

It said that people who require specialised assistance, like the disabled, those with English as a second language, those with literacy and numeracy problems or those with child care needs, are not being and have not been given adequate assistance. It warned that the government’s ‘blame the victim’ mentality is damaging and that this indicates that we are reverting to a ‘job snob’ attitude.

I see that Senator McGauran is going to follow me in this debate, and I would be interested in his comments on this Calvinistic approach to people who are unemployed. It is similar to ‘blame the victim’, as I said earlier, because clearly a lot of these people who are disadvantaged, as has been recognised by the McClure report, are indeed disadvantaged and they should not be blamed for being in this particular predicament. I know of Senator McGauran’s intellectual pursuits in certain areas, and I would be interested to see how he wriggles out of the Calvinist view that this government seem to be implementing in their program.

The Job Network has failed to assist long-term unemployed people to find work. The intensive assistance program for the long-term unemployed has failed—37 per cent of job seekers were in work three months after receiving intensive assistance, compared with Labor’s 59 per cent under our former wage subsidy program and 41 per cent under our former training program. In fact, the OECD has reported that it has created the same amount of jobs as Labor’s Working Nation—but Working Nation was not plagued by phantom jobs like those in this system.

A number of things have occurred in this scheme, and you would think that that has
not been highlighted for the government. Mr Brough himself admitted on 24 July that there were some deficiencies and has failed to provide any leadership or way out of this matter. In fact, both Mr Abbott and Mr Brough have known about these rorts for some time. A Mr Martin Buzza, the owner of a labour hire company, has been widely reported as saying that he met Minister Abbott and told him all about it. The government’s own report into the phantom jobs rort says that senior officers in the department knew about the scam and that Centrelink made a formal complaint about it—not to mention the hundreds of job seeker complaints. The fact that the minister was not made aware of this beggars belief. Mr Abbott’s answer to the failure of the Job Network to find jobs for the long-term unemployed has been to call them ‘job snobs’ and to claim that they are responsible for their impoverished and disadvantaged positions, but the government’s own McClure report into welfare reform has said that there is a need to ‘counter the popular stereotype of people receiving income support as passive non-contributors’.

Labor, community groups and Job Network agencies themselves have highlighted these scams and no-one in the government has had the courage to do anything about it. No-one has provided the vision or the leadership to do anything about it and it is up to us in the Labor Party to do so. That is why we believe an independent authority is needed, and to look at how well the program is working and how we can make it much better. You cannot simply outsource a job finding program and not subject it to any serious independent scrutiny without expecting major problems to arise. That is exactly what has happened. The Job Network is not working as well as it should be and it is being rorted. We need to stop wasting taxpayers’ money and ensure that the government does what it is supposed to do—put people into jobs and keep them there.

Senator McGauran (Victoria) (4.44 p.m.)—I rise to give the government’s side and contribution on the Job Network Monitoring Authority Bill 2000 [No. 2]. I think that the person who has carriage of a private member’s bill should, if at all enthused by it, always be in the chamber to debate the matter. I see that Senator Collins has carriage of this bill, on behalf of Mrs Kernot from the other house. She is not here, and she has not been sighted at all since the first speaker in the debate. That is just an indication that this is another filler from the Labor Party.

The purpose of the bill, which we reject, is to set up a Job Network Monitoring Authority. The reason we know that this is another filler is that it joins the ranks of some 43 other new bureaucracies that the opposition will seek to set up, should they be fortunate enough to come into government. It is a tactic. Instead of having a hard-core policy or bothering to do the hard work, they are trying to cruise into government with the suggestion that they will set up task forces, committees, agencies and commissions to look into things and the suggestion that they will refer things to ombudsmen or, as in this case, authorities.

I must say that the opposition are very talented at finding new words to mean the same thing. I think they have even suggested setting up advisory councils, and ‘council’ is another good word. They have suggested commissions too, but it all comes down to the one succinct point: they have no policy, and they say, ‘We will look at it after we get into government.’

You can add the Job Network Monitoring Authority that this bill aims to create to a whole list of other authorities the opposition
seek to set up. These include a national work force forecasting council; an education advisory council; an office of population; and a permanent world trade authority working group—and working group is another term which has the same meaning as task force, authority and so on. The opposition also seeks to set up a wood and paper industry council; a group of public safety officers; and a committee to advise on GST roll-back. I wonder who is going to be on that committee. They seek to set up the comprehensive cancers centre; a commissioner for environment; and an agency to audit women’s policy. What does that mean? They seek to set up the youth representatives committee; an office on children’s and youth affairs; a regional centre for human rights dialogue and conflict resolution; an Australian coast guard authority; and so it goes on. This is now the 44th body that the opposition are seeking to set up once in government. We are less than four months out from an election, and they are still not serious about putting hard policy down and debating it.

The one hard policy the opposition have sought to put down is their education policy. It was to be the opposition’s centre plank going into the election. It was going to be the number one policy for us to debate, and it has turned into a farce. The opposition allowed Barry Jones loose, and that was what they got. ‘Noodle nation’ is what it is now called, and so it is basically off the agenda. It is back to the tax debate, which we welcome because that is on our ground.

As I say, we reject this bill’s whole concept of setting up a monitoring authority. We do that for very good reasons: not only do we think that job networking has been a success but also it has been scrutinised already by the parliament and by Senate committees. There have been Senate estimates hearings in regard to the Job Network, and it has been thoroughly scrutinised within the parliamentary system. More than that, it is a scrutinised body, as all bodies within the parliament are. It is scrutinised by the National Audit Office, for example. The Commonwealth Ombudsman and the Australian Competition and Consumer Commission scrutinised this body as well, as did the Privacy Commissioner and the Human Rights and Equal Opportunity Commissioner. In addition, certain other groups keep a watchful eye on the Job Network, including no less a body than ACOS, together with the ACCI, and so on. So this is a scheme that is well and truly scrutinised, and we do not need another layer of bureaucracy.

The Labor Party seek to put another layer of bureaucracy in to monitor, as they put it, the Job Network, because the truth is it is like their GST policy. If they come into government, does anyone really think they will abolish the Job Network? Not at all: they will keep it, just as they will keep the GST. How will they get around that? With trickery, by setting up another body, another layer of bureaucracy. That is why the government reject this project, and we reject it on the grounds that Job Network is, in fact, a successful program.

When this was first introduced, it was probably one of our major reforms. It was a massive reform. It was on the scale of our new tax system. This was a whole new approach to dealing with the unemployment problem and social welfare payouts. It was shifting the government based Commonwealth Employment Service to a far more private sector oriented system, but still with the mix. There is still a government mix within this new system. We believed that the private sector, the community based sector and, above all else, the charitable sector, such as the Salvation Army and others, would do a better job of helping job seekers than the demoralised bureaucracy—which is what it had really become under the old CES. Who suggests that the old CES was, in fact, successful? It was demoralising job seekers and the long-term unemployed. At least this has brought job seekers choice and far greater optimism. The old monolith of the CES was an outdated system, and we dared to introduce a system which had far more private sector involvement. It was a huge change, and we believe it has been a successful project, and I wish to highlight to the Senate where that success has been. It has been in rural and regional areas in particular.

Unlike the CES, which did not have as many permanent branches within the rural
and regional sector, the number of Job Network offices has increased within the rural and regional sector by over 600. I believe it has jumped from 600 old CES offices in the rural and regional areas to 1,100—that is, 500 new permanent offices have been established within the rural and regional areas. So rural and regional areas have greatly benefited from the introduction of Job Network. As I said before, it has been taken up by the charitable sector of our society—by organisations such as the Salvation Army Employment Plus and Mission Employment. They have taken up as much as six per cent of Job Network’s market for placing the young unemployed. All in all, there has been an increase of 500 permanent offices within the rural and regional areas and 80 within the city areas. Even Mr Michael Raper, the head of ACOSS, said that the Job Network is a big help for the unemployed. If you can get the tick from ACOSS that the number of offices and access to job seeking agencies have increased and are of great benefit to the unemployed, that is an indication of the success of the scheme.

The government’s aim is to get unemployment rates down by getting jobs for the unemployed. All in all, there has been an increase of 500 permanent offices within the rural and regional areas and 80 within the city areas. Even Mr Michael Raper, the head of ACOSS, said that the Job Network is a big help for the unemployed. If you can get the tick from ACOSS that the number of offices and access to job seeking agencies have increased and are of great benefit to the unemployed, that is an indication of the success of the scheme.

The government’s aim is to get unemployment rates down by getting jobs for the unemployed. Besides getting your economics right, you must place the agencies so that the unemployed can have easy access to them and have the confidence to go to those agencies and approach the personnel there. I believe the unemployed would have far more confidence to approach agencies such as the Salvation Army Employment Plus or Mission Employment than they would the old bureaucratic, sterile and rigid CES system. That is why we reject this bill and that is why we think the Job Network has been a great success.

One of the arms of Job Network has been the New Apprenticeships centres scheme. The New Apprenticeships scheme, introduced by the government, has been incredibly successful, with up to 200,000 new apprenticeship positions having been made available. So while the opposition and the Democrats mourn the old CES structure, we have moved on into a far more flexible, far more available and far more inviting system. If by chance you can cite certain difficulties in the early part of the scheme, we accept that, and we will investigate and duly act upon any of the so-called rorts that the previous speaker spoke of. But, when you are introducing such a massive change, not just in a tangible and a physical structure but also in thinking and philosophy, of course you are going to have difficulties, not unlike—as the government has accepted—the difficulties with the new tax system. When you are introducing such massive change into society, you are going to have to iron out a few kinks at the beginning.

Senator George Campbell, the lead speaker for the opposition, said that the best security is to get people into jobs. I agree. But I do not agree with his citing the Tristar strike as an example of that ideal. I know why he wants to refer to it and have it in the Hansard: so that he can quickly slip a copy to his old union and to Mr Cameron just to show that he has not forgotten them and that he is still representing them and speaking for them in the chamber. But fancy using the Tristar strike as an example of workers seeking to get security within their jobs! Not only did 300 workers go out on strike at that plant; the cascading effect of that was a layoff of over 2,000 workers in the Holden, Ford and Mitsubishi plants. That is his idea of job security! Of course, we all know Senator Campbell’s history when it comes to job security.

The truth of the matter is that it is a two-pronged approach. First of all, you establish a system such as Job Network where the unemployed can get personal, guided attention from either a government agency or a private agency, whichever they feel the most comfortable with, and 99 per cent of those unemployed attack the problem—that is, 99 per cent of Job Network is successful. The other approach to get the unemployed into work is to get your economics right, to have a growth economy so that the unemployed will be picked up by expanding businesses. We heard that overnight the OECD report—a report on a group of developed nations—was released. It shows that Australia has the fastest-growing economy in the world and points out that one of the noted reasons is the government’s tax reform. Why? Because the tax
reform has stimulated the export sector. The Australian export sector is growing at an incredible rate. Exports to Europe have jumped some 40 per cent and, at a time when most of the nations in Asia, including Japan and Thailand, have gone into another downturn, into negative growth, yet again Australia is still exporting strongly into that region.

So again, Australia, with a strong economy, with exports booming—no less than in the rural sector, of course—is weathering yet another world downturn. In fact, Australia is growing. No nation in the world is growing as fast as Australia, and that therefore means employment growth. There is no doubt that, for whoever is in government, the number one priority in all decisions is getting their citizens employed. There is no decision I can think of that does not relate to a government seeking full employment, and this government is no different.

A sound, balanced and properly managed economy is critical for employment. No Job Network, no old CES, no new scheme of monitoring and no wacky scheme that the Democrats could put up could sustain an enormous drop in employment because of an economy mismanaged. If you suddenly swamp any of these agencies, in whatever form, you are going to get enormous difficulty. If unemployment were up towards the 11 per cent or 12 per cent mark that the previous government had—which probably even the old CES could not handle—I would doubt that any agency could handle that swamp of human mass. But thankfully we have a government that is known for working diligently towards proper economic management.

We are some four months out from an election, and economic management is what we will debate with those in opposition going into this election—for the next four months and then during the 33 days of the election. We seek to meet you on that ground if you dare. If you have but one policy to put up in regard to economic management, we will debate it with you between now and polling day. This is the ground on which we seek to defeat you, and you cannot avoid it. Sooner or later the hard policy is going to have to go down in relation to tax, in relation to roll-back—particularly in relation to your future plans on income tax. How are you going to fund ‘noodle nation’ and all the other enormous policies, let alone the 44 agencies that you seek to establish should you be fortunate enough to enter government?

As I said, we reject the Job Network Monitoring Authority Bill 2000 [No. 2]. We see it as just another layer of bureaucracy, avoiding the hard decisions of coming up with real policy. I notice Senator Collins has come into the chamber at the tail end of this debate, the very person who has carriage of this bill. I would hope that she is going to stand up and speak on this bill.

Senator Jacinta Collins—The second reading has been tabled.

Senator McGauran—But have you spoken on the bill yet?

Senator Jacinta Collins—You can’t.

Senator McGauran—You can’t? Senator Collins has carriage of this bill and she will not stand up and speak on it. That is the enthusiasm that Senator Collins has for this particular program. No wonder when so often the opposition bring to this chamber such bills—

Senator Jacinta Collins—I raise a point of order, Mr Acting Deputy President: Senator McGauran is misrepresenting the situation here. I have in fact tabled my second reading speech, and I will be happy to reply to the second readers when I have that opportunity.

The ACTING DEPUTY PRESIDENT

(Senator Bartlett)—There is no point of order.

Senator Lundy (Australian Capital Territory) (5.04 p.m.)—I, too, am addressing in the Senate this afternoon Labor’s bill to establish the Job Network Monitoring Authority in order to bring some much needed transparency to the Job Network program. The necessity for the Job Network Monitoring Authority Bill 2000 [No. 2] has arisen from nothing more than the incompetence of the government in implementing what was an inevitably doomed policy. Many would say that this is true to form, given the government’s history on botching up major pro-
grams. I do not need to remind my colleagues here about the Howard government’s bungled IT outsourcing program, and more recently we have seen the complete mishandling of the Commonwealth property sales program as well. So at least the government is being consistent when it comes to the Job Network contracts, a program worth $3 billion; and not surprisingly but very predictably, it has botched this program as well. As with the IT outsourcing program, the Job Network has been dogged with controversy right from the start and, like the IT outsourcing, it has taken pressure and persistence from the Labor opposition to expose the coalition’s mismanagement.

I think this really highlights the stark difference between what Labor has to offer and the coalition’s policies. It is about ideology; it is about the role of government in the day-to-day lives of Australians. In the coalition we have a government that is driven by a small government mentality—a small government mentality at the expense of services to citizens of this country. The Job Network policy in the first instance reflected this ideology that it was okay to facilitate the downgrading of services provided to citizens, particularly those at some disadvantage in our community such as the unemployed. In fact, the coalition goes so far as to actively undermine the ability of those services to be delivered and, in the transfer of those services from the public to the private sector, it ensured that there was no opportunity to provide for the level of accountability and scrutiny that is absolutely necessary for the expenditure of taxpayers’ money.

It is interesting to hear people like Senator McGauran talk about ideology when the evidence has shown time and time again throughout the coalition’s governance that not only is it incapable of coming up with good policies to suit the needs of citizens but it is even incapable of implementing its own policies. This incapability to be an administrator, to be a government that is capable of governing, is one of the greatest weaknesses of the coalition. I think it stands in great contrast with a future Labor government, in that our record is a very proud one of not only being able to come up with innovative policies to support and service the needs of Australians, particularly those who are disadvantaged, but being eminently skilled and experienced in delivering those policies and implementing those programs.

The solution to merely privatise and outsource, on the other hand, is about escaping responsibility. It is about a transfer of risk, and in this case of the Job Network, the government have transferred that risk and not accepted responsibility for the outcome, which is the system of widespread rorting and provision of sham jobs by the Job Network system that many young people and their family members have been faced with. This is completely inexcusable.

The ball is now very much in the coalition’s court, and they must take the only logical step forward and adopt Labor’s proffered solution in the Job Network Monitoring Authority. In proffering the solution it is worth mentioning that we are actually trying to assist the coalition to get out of a hole that they have dug themselves into. Only through this measure can a system be put in place that is actually fair to the job seekers themselves—and, indeed, fair to the service providers, who do get tarnished by those in the crop that are not doing the right thing. I believe there are many well-intentioned service providers out there. All of these parties need to become accountable to the public and the parliament, and our authority will assist them in doing that.

It is worth reflecting that the Job Network has been shrouded in secrecy, and this has resulted in the formation of a framework that was put into operation outside of parliamentary scrutiny. Normal parliamentary debate was initially bypassed, and this prevented opportunities for amendment and our chance to have a say. That is why we find ourselves here, having to introduce this bill in an attempt to modify the flawed implementation and flawed structure of the Job Network. The last-minute tabling of the Auditor-General’s report left no time, again, for parliamentary scrutiny of the damning findings and limited print media reporting. It should be noted that it took the Auditor-General to uncover the massive losses. Details of the loss of taxpayers’ money of this magnitude should have
been open to public scrutiny well before an Auditor-General’s report.

The Job Network has inevitably led to a corruptible system where public money is going to private organisations and profits are being pocketed instead of going into further service provision for Australia’s unemployed. This ‘private over public’ mentality of the coalition has taken the focus off the government’s responsibility for creating jobs. Instead of getting people into jobs, the coalition is now preoccupied with fixing up all of these structural flaws and policing dishonest job service providers to ensure they are not ripping off taxpayers.

There is nothing more demoralising for the unemployed than being abused with sham jobs, split jobs and serial placements of the one person in the same job. The blame for this failure to secure minimum quality standards rests clearly and squarely on the shoulders of the government. It is not the fault of the unemployed or of those honest service providers with a genuine commitment to helping people to find real jobs. They are caught in the middle of this mess.

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The opposition, ironically, has put forward this bill to assist the government to fix their problems. It is essentially about damage control. Labor, even in opposition, once again finds itself taking the responsible role that in fact the government should take in providing some solutions to help them make their way out of the mire.

With the Job Network in operation, this bill will ensure that there is, at the very least, an ongoing and independent analysis and monitoring of the Job Network process that is vital to ensure public and private sector confidence. This is essential to ensure that there will be no further cover-ups of bad practices. We need to save the coalition from themselves. One example of bad practice which has been mentioned here in the debate, the Leonie Green case, saw the largest private provider in the Job Network being forced to pay back rort payments as a result of placing people in phantom jobs. This is a classic example of the corruptibility of the Job Network system. The Job Network has seen some unemployed people being manipulated into false and misleading employment by service providers for profit.

Under the coalition’s system, Job Network providers receive income by incentive schemes on a case by case basis where they find jobs for people. As the many factors that lead to unemployment are wide and varied, it is not unreasonable to assume that different people will have different needs. Wherever you have a system in which organisations have a limited capacity to service caseloads on their books and there are incentives built into the system to deal with the easiest cases first it is inevitable that the easiest cases will be helped at the expense of the harder cases. We learned this lesson a long time ago.

As shadow minister for youth affairs, I hear time and time again that if you are a young person who requires a little more assistance and perhaps a little more money to be spent on you—whether it is because you are homeless, left school early or for whatever reason—then there is a significant chance that you will be left on the bottom of the in-tray while attention is given to ‘bread and butter’ cases that can service the quotas of the Job Network providers.

Another two aspects of particular concern that would be reviewed by the Job Network Monitoring Authority under this bill are the breaching of the unemployed on benefits and the provision of training by Job Network providers. I have spoken to many young people, community organisations and providers around the country who have added their concerns about the coalition’s policies on breaching the unemployed registered with Job Network members. These concerns have been expressed by people in the academic field and in welfare and youth sector groups and have been echoed by Labor in opposition.

I find it ironic that the unemployed are being breached for failing to meet minor Job Network obligations and that many are then forced to seek assistance from community organisations—many of which are also Job Network providers—to compensate for their loss of income. Unemployed people have been breached for minor misdemeanours and many of these for purely administrative breaches, such as missing an interview, with
no checking to ensure that there is not a
legitimate excuse. We know through previous
evidence from Senate estimates and other
forums that Centrelink are under increasing
pressure from the government to breach,
particularly, young people. Young people
most at risk include those who have psychi-
atriac conditions, problems with substance
abuse, low literacy skills, are indigenous and
those young people without a permanent ad-
dress. These misdemeanours have been
passed on to Centrelink, which implements
the breach, again without a checking proc-
ess—and, as I mentioned, under pressure to
reach certain quotas with regard to breaches.

There is a lack of guaranteed training pro-
vided by the Job Network. We need to
monitor the proportion of money Job Net-
work providers allocate under their contracts
for training purposes to ensure it is only
spent on training the unemployed and not
absorbed into general revenue. Mechanisms
to monitor the Job Network put in place by
this government are clearly inadequate. Us-
ing the department to establish, monitor and
create policy for contracts and then to allo-
cate $3 billion to them is just not acceptable
in an age of greater accountability and trans-
parency of government and parliament. This
is what the taxpayers are demanding and
they are not getting any satisfaction from the
coalition government. At the moment we
have yet another case of the department sit-
ting in judgment of itself.

Labor’s proposal is to set up a clear solu-
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The role of Labor’s Job Network Moni-
toring Authority will be to (1) investigate Job
Network providers who are applying high
levels of breaches and take action to ensure
that the Job Network provider is only making
breach recommendations where there is no
reasonable explanation; (2) conduct an ur-
genent and independent review of the payment
system; (3) make sure that the department is
doing its job of making Job Network provid-
ers provide the training they are supposed to;
and (4) provide some measure of how well
the Job Network is performing, including the
effectiveness of Job Network programs and
the effectiveness of Department of Employ-
ment, Workplace Relations and Small Busi-
ness in three areas: monitoring Job Network
members for contractual compliance, per-
formance and quality; equity of service de-

divery; and the handling of complaints made
to the department about the Job Network.

Problems need to be identified, publicly
discussed and solutions nutted out. An
authority like this would have been able to
do this had it been set up at the same time as
the Job Network back in 1996. It is time for
this government to remedy this now and re-
alise that the creation of Job Network does
not mean it has successfully farmed off its
employment service obligations. The coalit-
ion does not have its job creation bases cov-
ered and, in the latest Howard-Costello
budget, it has failed to provide any targeted
initiatives that actually create jobs. This is
despite its own predictions that general un-
employment could possibly exceed seven per
cent and will average seven per cent by June
next year.

The government’s new welfare training
initiatives, such as Working Credit and the
Literacy and Numeracy Training Supple-
ment, are not expected to kick in until Sep-
tember 2002, over 12 months away. This is
particularly bad news for the over 70,000
young people aged 15 to 19 years who are
currently faced with an unemployment rate
of over 20 per cent compared to around six
per cent of the general population who are
looking for full-time work. Many young
Australians are already facing barriers to a
successful transition from school to work. This includes different classroom environments, teaching and assessment techniques and curriculum which pose differing educational and social challenges for young people. In addition, they face broader social and cultural issues, such as poverty, homelessness, poor health—including disabilities and mental health issues—regional isolation, incarceration, cultural attitudes and high youth unemployment.

The long-term unemployed and, in particular, young people need education and training activities to develop key skills and abilities through a broad range of learning mechanisms. From this perspective, case management, if it is implemented appropriately, has great merit in providing personalised training and support to unemployed people.

In the last few generations, Australia has undergone massive technological and labour market changes. This generation of young Australian school leavers heading into full-time employment or further training and education are faced with many different pathways. Most young people today go through some form of transitional phase before ending up in full-time employment. Many individuals also go through several career changes in the course of their working lives. Employment services can often bridge this gap. Investing in unemployed people to assist them to make a successful transition during periods of unemployment is a critical factor in an individual’s future economic security and personal wellbeing and an appropriate place for strong public policy. This investment is a most sensible investment in Australia’s economic and social future and also part of the social glue necessary for community wellbeing—people knowing that they have support if they are ever faced with unemployment.

Labor’s Job Network Monitoring Authority will fix up the current process to prevent rorting and will make the Job Network transparent and publicly accountable. I call on the minister to come clean about the government’s knowledge of the Job Network rorting, particularly given the government’s own report into the phantom jobs rort which says that senior officers in the department knew about the scam and that Centrelink made a formal complaint about it. It is necessary for the government to show at least some good faith: come clean with the problems and support this proposal to adopt a system that will improve accountability.

In summing up my remarks I refer to an earlier point on the difference between the ideological approach of the coalition government and their rejection of the role of government in supporting employment services and the needs of the unemployed. Job Network is a system that is here to stay. There is an opportunity here to improve it and I find it absolutely astounding that the government can stand here and say that they will relinquish that opportunity and reject it. Not to improve a system when it is obvious that there is very clear evidence of the flaws is a grave indictment of a government that has the responsibility of the executive in the Australian parliament.

I conclude my comments by asking the representatives of the coalition present in the chamber to think about the dignity of unemployed people, not the ones that the coalition so often claim are rorting the system but those who are genuinely in need and look to these employment services in a serious effort to help them through a very difficult time. The coalition’s current policies are not helping them and quite often those people who are in need of serious help become the victims of its maladministration.

Senator GIBSON (Tasmania) (5.24 p.m.)—I rise to support my government colleagues in opposing the proposal before us. The government has provided very good economic management for Australia since coming to office in 1996. Australians have enjoyed economic growth of four per cent and higher for most of that period. As a consequence, there has been huge growth in employment. Counter to Senator Lundy’s comments about helping the unemployed, the best thing that we can do for the unemployed is to provide a climate whereby firms expand, create jobs, prosper and make profits. That is what we have encouraged. The government has the runs on the board. There has been substantial growth in the economy
since we have been in power. Unemployment has come down substantially since the previous administration’s legacy of high unemployment. That has come about as a result of our being very good fiscal managers. We have reduced the government debt. Basically, we have managed to get the government out of the debt market to a large extent and have endeavoured to reduce government activity to the bare essentials that are required for the efficient running of this country. We have done that in many ways.

Rather than me, as a member of the government, singing the government’s praises, I think I should start by quoting some of the comments from the OECD’s economic survey of Australia which has been published this week. The OECD says, basically, that Australia has done very well indeed. As well as doing very well with the economy, it looks like Australia will have the highest economic growth in the world next year. One of the conclusions of the OECD survey reads:

Substantial progress has been made towards completing the tax reform agenda

A further conclusion states:

Structural reforms have raised the trend growth of multifactor productivity ...

That is, after all, what we are aiming at—lifting productivity, both for labour and for capital, in our economy. That is where economic growth comes from; that is where rises in incomes come from; and that is where we increase employment. It is that level of economic productivity that we must increase. We have made substantial progress in doing that. We have also, and I quote again from the conclusions:

... lowered the structural rate of unemployment

A further conclusion reads:

Enterprise bargaining has increased labour market flexibility but there is scope for further improvement

Another one reads:

A contestable placement market has improved job-provision, while more active job search has been encouraged

I now turn to some of the detail in this report. Under the headings ‘Labour-market assistance and welfare report’ and ‘Introducing competition into labour market assistance’, page 99 of the report states:

Given the unsatisfactory results of prevailing labour-market services, especially in relation to their substantial cost, a radical reform of all areas of labour-market policies has been undertaken since 1996-97. The key objectives have been to deliver a better quality of assistance to unemployed people ... to target assistance on the basis of need ... to address the structural weaknesses and inefficiencies inherent in previous arrangements for labour market assistance; to put into effect the lessons learnt from international and Australian experience of labour market assistance; and to achieve better value for money.

Effective since May 1998, the new system has involved the most significant reorganisation of labour-market assistance since the establishment of the Commonwealth Employment Service in 1946. The main elements are Job Network, which is a contestable employment placement market, with competition between private, community and government contracted service providers. This major change has changed the government’s primary role from that of provider to that of purchaser of employment services. Again I quote:

This reform has put Australia at the forefront of OECD countries to introduce market-type mechanisms into its employment service framework and to make its publicly-funded placement services fully ‘contestable’.

The rationale underlying the reform is that competition encourages a high level of service and that fees paid to Job Network organisations provide a strong incentive for them to perform. ... Fees are paid on the achievement of outcomes ...

The major changes introduced under Job Network include the replacement of previous labour market programmes and case management services with three key employment services.

- Job Matching, which is the gathering of available vacancies and assisting eligible job-seekers into jobs through the provision of labour exchange services;

- Job Search Training, which is assisting job-seekers with a moderate degree of labour market disadvantage in obtaining employment through training in job search skills, interview techniques, motivation and confidence-building; and

- Intensive Assistance, which implies the provision of individually tailored assistance to obtain employment for the most disadvantaged job-seekers, as determined through the Job Seeker Classification Instrument.
Compared with the structure of the previous system, there has been a huge increase in the number of sites and in the number of providers throughout Australia. From the second tranche, we now have over 2,000 sites throughout Australia. There has been an evaluation of the service. Again, I will quote from the OECD report, on page 102:

The first stage of a three-phase evaluation project became available in early 2000 ...

It goes on to say:

A report of the second stage of the evaluation was released in May 2001.

The evaluation shows that Job Network has made significant progress in the development of a competitive market, in the numbers of job seekers assisted, in making a difference to the job prospects of the unemployed and in delivering value for money. Further progress was made towards a competitive market by expanding the geographic coverage and a competitive basis of Job Network’s services.

That is not the government talking, that is the OECD report talking.

Senator Jacinta Collins—You are being selective. It says, ‘While it is too early to measure.’

Senator GIBSON—No, I am picking the relevant parts for this service, which is what you are criticising, Senator. I am saying that here we have outside people basically congratulating the government on what it has done in its reforms in many aspects of the economy, but particularly in its reform of introducing competition into labour market assistance. Of course, the report does say that there have been problems, and the government acknowledges that there have been problems, but do we need extra bureaucracy to cope with these problems? Of course we don’t, but the trouble is that the opposition believe that when there is a problem you add another layer of bureaucracy. The government does not believe that at all. If there is a problem, let us make sure that the system is actually working as it is designed to, let us make sure that there is effective competition and let us make sure that people actually deliver what they are contracted to deliver. We acknowledge that there have been some problems, but we have to make sure that the current system is working. When you bring in a new system, of course there are going to be some problems—everyone expects that in any organisation.

The opposition has proposed this bill to add another layer of bureaucracy over the system and to increase costs so that people pay more taxes and get lower returns than what is happening now. The Job Network is already scrutinised by parliament. A number of statutory agents—the Australian National Audit Office, the Ombudsman, the Australian Competition and Consumer Commission, the Privacy Commissioner, the Human Rights and Equal Opportunity Commission, in addition to various interest groups, academics and others—are already commenting on the workings of the Job Network. What would we get from any extra scrutiny? It would be counterproductive because it would have to impose extra reporting and compliance burdens on the members of the system. As I said earlier, it would add an extra layer of bureaucracy—exactly what is not required for freeing up and increasing productivity of the Australian workforce.

The government has in place a comprehensive set of governance arrangements to ensure that Job Network members do deliver quality service and comply with the terms and conditions of their contract. We do not need to establish an independent regulatory authority for the employment services industry because we have effective governance already in place. The Job Network code of conduct is supported by a complaints handling process which enables the department to monitor Job Network members’ compliance with the code and to work with Job Network members to resolve problems and to improve service quality. The code requires all Job Network members to have their own internal complaints handling process and to provide job seekers with information about the complaints process.

If a job seeker or an employer, or any other party for that matter, believes that a Job Network member is not delivering service in accordance with the principles and the commitments set out in the code of conduct, they are encouraged in the first instance to raise their concern with the Job Network member concerned. A customer service officer will
assist the complainant to resolve the complaint and will investigate the matter if appropriate. Customer service officers can require Job Network members to take action to fix problems. Most Job Network members are keen to resolve complaints quickly and will agree to take action to resolve the problem. Most complaints are resolved very quickly—95 per cent within a 30-day period. The department operates a free Job Network customer service line, which is staffed by customer service officers in each state and territory. Through this line, customer service officers can assist callers by providing advice, resolving complaints and investigating concerns if appropriate. Customer service officers can also require Job Network members to take remedial action in relation to complaints.

In the 12 months to June 2001, there were approximately 1,900 calls to the customer service line. Approximately 59 per cent of the calls were simple queries or requests for information. The remaining calls related to complaints about the network, particularly about the quality of service provided by Job Network members. Job seekers represent over 80 per cent of callers to the customer service line, with over 90 per cent of callers’ concerns being resolved within seven days. We also have quality audits. Quality audits can be initiated by the department where a Job Network member is the subject of continuing complaints or the subject of a particularly serious complaint. Quality audits have also been conducted at Job Network member sites that exhibit good practice. In the 12 months to June 30 2001, 92 quality audits were performed and a further 25 are planned for the next three months.

I now move to referral of complaints to investigation and compliance units. In cases where a complaint is particularly complex or serious and it is believed that the Job Network member may have seriously breached their contract with the Commonwealth, the department’s investigation and compliance units assist with the investigation. In these instances, customer service officers and the investigation and compliance staff work closely and cooperatively to resolve the issue. All such investigations are undertaken by trained and accredited departmental investigators in accordance with the forward control policy of the Commonwealth and the Commonwealth’s fraud investigation standards package. These investigations are subject to periodic quality assurance reviews by the Australian Federal Police. All allegations of fraud received by the department and, in addition, any potentially fraudulent matters arising from the department’s assurance reviews and routine contract management of service providers are investigated. The investigators operate independently from the groups within the department that are responsible for policy or day-to-day management. Where an investigation reveals sufficiently admissible evidence to establish criminality, the matter is referred to the Director of Public Prosecutions. Ultimately, it is his decision as to whether a prosecution should be instituted and, if so, on what charge or charges.

While I understand that there have been problems, the procedure that I have set out is working. The government is confident that it can be improved, and the government is firmly of the view that we do not need another layer of bureaucracy to go over that which already exists. It will simply increase costs and slow down the system. Australians do not want to pay more taxes to run additional bureaucracy. We believe—and we have good evidence to believe—that the system is working well. Sure, there have been some problems, but they are being corrected. The existing system for handling complaints is more than adequate to meet the needs of the system. I support the government’s position in opposing this bill.

Senator BUCKLAND (South Australia) (5.39 p.m.)—I rise to support the Labor Party's Job Network Monitoring Authority Bill 2000 [No. 2]. The controversy surrounding the Job Network scheme stems from the beginning of this very flawed outsourcing venture. Initially, problems were prevalent in the tendering system, Employment National was gutted, religious organisations had roles in breaching the unemployed and there has been the inconceivable practice of phantom jobs. The breaching is particularly concerning when you consider
that it is generally directed at those who are less able to fend for themselves: the lesser educated, the poor, the homeless, members of the Aboriginal community and those who are otherwise finding it generally hard. Furthermore, the job splitting and the serial placement have to be considered a real concern to us all.

The federal government has rewarded agencies when they have placed unemployed people in jobs, but it did not care much about how the agencies achieved the outcome. You might consider this to be fair. However, the exclusive focus of measuring outcomes ignores the manner in which the agencies conduct their business. The more ruthless agencies cream or skim, and they ignore the hardcore unemployed and the mature aged who have suffered the indignity of redundancy or who require a good deal of help to make them job ready. It is difficult for those who have been made redundant after many years with a particular company: if they are older they find it hard to change, to retrain and to work in different environments. The agencies focus on the easy to place, who require little investment in time or money. Other agencies are quick to breach the troublesome unemployed for rule infringements—the legitimate way of getting those types off their books to make way for the potentially more employable.

A prime example and celebrated case is Job Network agency Leonie Green and Associates, which created its own labour hire company and put people to work. The word ‘work’ really needs to be underlined and questioned. They put people to work for 15 hours per week before sacking them. Leonie Green and Associates paid each of them $150 a week and reaped $450 from the government. By my calculations, that is a cool $300 for very little, if any, effort.

A little closer to home is the recent revelation that the Salvation Army was asked to repay up to $45,000 for falsely claimed Job Network subsidies. That is the latest blow to the government’s privatised employment. The charity Job Network agency Salvation Army Employment Plus is currently at the centre of a departmental investigation into up to 120 job placements in its Whyalla regional office in South Australia. Two senior Employment Plus management staff in the Whyalla office have resigned and the Salvation Army has started a national audit because of the claims, most of which were for placing job seekers with a local cleaning contractor. There must be some very big organisation in Whyalla that could take that many. I can assure the chamber that there is no cleaning contractor in Whyalla that would be employing anywhere near 120 employees, let alone taking on that many. The matter is under investigation and, regretfully, we cannot ascertain who that cleaning contractor is, but it is something I am sure the investigation will discover.

The Salvation Army communications director, John Dalziel, said the Whyalla events, which encompassed a subsidiary branch in Port Lincoln, had been ‘a shock’. It is very hard to understand how, in the environment in which they were operating, so many placements with a single employer—and the majority of those placements were with a single employer—could come as a shock to anyone. It simply could not be a shock. It was going on and nobody was scrutinising it sufficiently to pick up the obvious rorting. This gives a good indication of why the Labor Party is seeking what it is seeking through this bill. Mr Dalziel went on to say:

Obviously, we have shared everything with the Government about what’s happened and we’re very happy to pay back the money that they’ve paid us for jobs that we have placed and claimed job matching fees for which are not appropriate. The Salvation Army has initiated a national audit of Employment Plus procedures to ensure all staff are fully aware of the guidelines. If the procedures were in place and were clear, and if the government had done their job properly, there would be no need to ensure that the staff were fully aware. Clearly, they had not been taught. Clearly, the guidelines are not clear enough. That is a failing on the part of the government and those that they claim are auditing these services.

From the day it replaced the Commonwealth Employment Service on 1 May 1998, the Howard government’s Job Network system has lurched from one controversy to an-
other. It never seems to be out of the limelight. It is like a wheelbarrow with a square wheel—it just bounces along hoping to find smooth ground on which it can rest. My friend Senator Collins drew attention to the practice of reclassifying employees as trainees so employers could claim government wage subsidies. She said the government money was being wasted by a vast amount of rorting. The ‘phantom jobs’ cynicism has been around just as long, regardless of Mr Brough’s contention to the contrary. People like Senator Collins and others on this side have been showing that there have been problems throughout the history of this service, but no action on the part of the government. The government has simply been turning a blind eye to the rorting that has been occurring. The figures have never really added up. Two years ago, Job Network stumbled into its second phase, passing from the control of visionary, if impractical, economic rationalists to realistic and uncompromising bureaucrats, but this only made the picture even more obscure.

Now disability and welfare services could be outsourced to private operators, since the federal government has asked the Productivity Commission to investigate expanding Job Network elsewhere within the Public Service. But how will the Howard government achieve this when there have been numerous complaints of dodgy practices within the Job Network? How will they do it? How will the Howard government ensure that the agencies are meeting their responsibilities? It cannot run the mess it has already created; how can it be expected to run an expanded network? Will it be an expanded mess? Will they lurch from one disaster to another into the future, to the disadvantage of those who are unfortunate enough not to have jobs?

It really calls into question the seriousness of this government about helping those who are unemployed—the older people who cannot find employment because they are not as employable as they used to be and they find training more difficult, the young people without a good education—and there are still many out there—the Aboriginal and Torres Strait Islander people, and the women coming back into the work force after many years of raising children. All of these people have real difficulty competing in the job market today, so scarce are the jobs. They do not have the training, and they no longer have—or they never had—a track record for timekeeping, reliability and capability on which future employers might be able to rely.

I want to acknowledge some of the comments made by Jill Van Dyke of Innerskill who said that the government had been warned of loopholes for potential exploitation from the very beginning of the Job Network. The government was warned from the very beginning that the loopholes were there for exploitation to take place, and it has. The government has done nothing about that; it would rather see the system bumble along. The fact that these warnings were ignored by the government has seen some members use practices contrary to the spirit, if not the letter, of the Job Network contract. This in turn has reflected unfairly on the unemployed.

Minister Brough said that the OECD had described the Job Network as a success story for the government. Criticisms were mixed with some positives of the way the system currently operates. Many of these policy concerns mirror those that my colleagues and I have highlighted, and they are areas that we seek the government to address. If the government will not address those concerns, we propose this bill will. For instance, one concern is that the vacancies listed on the Job Network Internet site need information about who the employer is so that the unemployed can avoid having to physically register with a large number of Job Network providers.

Labor has promised to consult with people on the possibility of allowing the unemployed Job Network clients to register by phone. I support that process because, despite what was said by Senator McGauran about the additional number of people in regional areas, some people still find it very difficult to register with the system and get the assistance that they need if they are not in the larger locations throughout the country. There is no question that the figures he quoted are correct. The point is that it is not serving the community as well as it should with that number of people. It is still difficult
for people in remote and isolated areas to get jobs. They have the additional burden of travelling to the larger centres to try to get those jobs and, because that is the case, the agencies tend to put those on the too-hard list, and little is done.

The Job Network needs providers who are more concerned about finding long-term training and jobs for the unemployed. The networks are not properly addressing this issue; they need to provide opportunities for people to train in the types of skills that they will need to work in the jobs that are being offered. The intensive assistance outcomes are comparatively low at only 13 per cent. I think there needs to be more accurate information about the Job Network success rate. What we hear from the government does not seem to be echoed by those in the system nor by what is going on around us.

The system was put in place by Tony Abbott, who has now moved on to a different role in the government. It has been his and the government’s refusal to respond to Labor’s call for an independent monitoring authority that has allowed the situation that we now face to occur. Minister Abbott was told by Labor, by the community groups and by the Job Network agencies themselves that the payment scheme was open to abuse, yet he recklessly pushed ahead with this proposal and put it into what is now referred to as Job Network 2. The recent OECD report on the Job Network said that it was performing at the same rate as Working Nation, but now it appears that many of the jobs that the unemployed were placed into did not even exist. So here we hear about the phantom jobs yet again. The proposal put forward by the Labor Party for an authority to look at this terrible situation that the unemployed are faced with is one that has credit and merit, and I would encourage all within this chamber to support the proposition.

Senator BRANDIS (Queensland) (5.59 p.m.)—In the very short time left to me, may I simply make these three points. Firstly, the record of the Howard government in placing Australians in longstanding, sustainable, quality jobs is one of its proudest achievements. The number of jobs created in the lifetime of the Howard government approaches 800,000 new jobs. No Australian government—certainly not the previous Hawke or Keating Labor governments—can match that. Secondly, the Howard government has kept unemployment at a consistently relatively low rate—certainly much lower, on average, than that of the previous Labor government.

The ACTING DEPUTY PRESIDENT (Senator Bartlett)—Order! It being 6 o’clock, the time allotted for the consideration of general business has expired.

DOCUMENTS

Consideration

The following orders of the day relating to government documents were considered:

Centrelink—Compliance activity for Family and Community Services—Report for the period 1 July to 31 December 2000. Motion of Senator Bartlett to take note of the document agreed to.


Estimates of proposed expenditure for 2001-02—Portfolio budget statements—Employment, Workplace Relations and Small Business portfolio—Corrigendum. Motion of Senator Denman to take note of document agreed to.


Treaties—Bilateral—Text, together with national interest analysis—Agreement between Australia and the Argentine Republic concerning Cooperation in Peaceful Uses of Nuclear Energy. Motion of Senator Bartlett to take note of document called on.

On the motion of Senator McGauran debate was adjourned till Thursday at general business.
Treaties—Multilateral—Text, together with national interest analyses—Amendments to the Convention on Conservation of Nature in the South Pacific adopted by consensus at the Fifth Meeting of the Contracting Parties held in Guam on 9 October 2000. Motion of Senator Harris to take note of document agreed to.

General business orders of the day Nos 2-16 and 18-20 relating to government documents were called on but no motion was moved.

COMMITTEES

National Capital and External Territories Committee

Report

Debate resumed from 6 August, on motion by Senator Calvert:

That the Senate take note of the report.

Senator WEST (New South Wales) (6.01 p.m.)—I rise to speak on the report In the pink or in the red? from the inquiry into the provision of health services on Norfolk Island which was undertaken by the Joint Standing Committee on the National Capital and External Territories, of which I am a member and with which I have made one visit to Norfolk Island to look at some of their health facilities.

Norfolk Island is a small island off Australia which is part of Australian territory. It is part of the Commonwealth of Australia, but it has a lot of self-government and autonomy. It is not part of Australia’s taxation system; it has to rely on its own forms of revenue raising and, as such, it is responsible for its own health care. Medicare does not operate on Norfolk Island. There would be a lot of Australian people who travel to Norfolk Island who do not realise that Norfolk Island is not covered by Medicare arrangements. If they find themselves getting sick, they may well incur quite significant health costs, particularly if they have to be evacuated back to the mainland.

There is a problem on Norfolk Island in the health area of how to dispose of sharps and other medical contaminants and medical waste. They tend to be just taken up to the tip, a match is put to them and they are burnt there. That is not good enough in this day and age. It is certainly not good enough in controlling and reducing communicable diseases. The health issues on this island have to be addressed, either by the Commonwealth or by the Norfolk Island government. We were very concerned about the state of the buildings.

There is a problem on Norfolk Island in the health area of how to dispose of sharps and other medical contaminants and medical waste. They tend to be just taken up to the tip, a match is put to them and they are burnt there. That is not good enough in this day and age. It is certainly not good enough in controlling and reducing communicable diseases. The health issues on this island have to be addressed, either by the Commonwealth or by the Norfolk Island government. We were very concerned about the state of the buildings.

The ambulance is run on a voluntary basis. The ambulance resides at the hospital, and that is fine. But to get the ambulance out of where it is parked under cover, you have to drive through all of the hospital complex and down a drive before you can get out onto the highway. There is no direct route from the ambulance parking area to the main road, so it can take an extra couple of minutes to get the ambulance out.
They do not wear seatbelts. There is a huge need for public health work. The rate of smoking is quite high. One of the recommendations of the committee is that seatbelts should be worn in cars. The government in Norfolk Island have pooh-poohed this and have said that they are not going to do that because the speed limit is only 50 kilometres an hour. If you get two vehicles confronting one another at that speed, it is the equivalent of 100 kilometres an hour. In my experience in nursing, I have seen many people very seriously injured in low speed accidents. The roads are narrow and winding, so speed may not be possible. There are also quite a number of cattle that roam the area, and I am sure that a car—even at 30, 40 or 50 kilometres—coming into contact with a beast the size of a cow can certainly make a bit of a mess of things.

Another issue, which I mentioned to you earlier, is that there are no Medicare arrangements there. I really think that the tourism industry does have a major role to play in making sure that people take out travel health insurance when they go to Norfolk Island or that they check the health insurance that they have in Australia to see that it does have coverage. We are talking in terms of $30,000 or $40,000 to be medically evacuated, and that is certainly an issue of concern and an issue that would have a big impact upon people’s pockets.

The Norfolk Island territory itself is a very interesting social study because some people on that island are exceedingly wealthy—very rich—and they have the capacity to move off island very quickly and very easily. Also, a lot of people are not rich—they are quite poor—and they do not have the same options that the wealthy people in this particular place do.

We recommended making seatbelts compulsory. We recommended lowering the blood alcohol limit for drivers to a level comparable with the mainland. We also want to suggest to them that they increase their restrictions on smoking in public and private places, to make it more like the mainland as well. The price of alcohol and tobacco on the island is very cheap—there are some good duty frees for those who are travelling back to Australia—but the cheapness of these products does have a bit of an impact potentially on issues like domestic violence, substance abuse and drink driving. These all have social and medical impacts upon the people who live on the island, so that issue needs to be addressed.

As for the future health needs of the island, the technology that is used there is very old. The surgeons go over and they can do a cholecystectomy but it is the old laparotomy type cholecystectomy. It is not laparoscopic; they do not have that equipment. The increasing use of technology in health care is going to impose a big burden upon this island as to how they are going to be able to afford it. If they cannot afford that, they want to attract surgeons and specialists to the island on a visiting basis. How are they going to be able to do it without the equipment for them to use? It is very important that we look at this.

We also recognise there is a need for a more identifiable method of medical evacuations taking place. A lot of people just make an assumption that the Defence Force—the RAAF—will be able to undertake the evacuations. That certainly has changed over the years, and evacuations by the RAAF are basically a last ditch, last call option. It can take considerable time for the RAAF to mobilise a unit of crew to travel with the aircraft, and you are losing valuable time. We have suggested that maybe they could negotiate with the Royal Flying Doctor Service to actually look at some of this, because the Royal Flying Doctor Service also operate on the mainland, providing a number of primary health care and emergency focuses; it is not just emergency evacuations. They are certainly entering into a very good primary health care focus through taking out their allied health professionals and their specialist nursing areas as well as the doctors, so it certainly needs to be looked at.

The provision of health care on this island is certainly an issue that not just the Norfolk Island government have to look at but the Commonwealth government have to address as well. But the Norfolk Island government really must take into consideration how in the future they are going to fund the health
service needs of the island, what health
service needs will be provided for on the
island and what people will have to leave the
island for, particularly if you are going to see
things happening such as the airline that
services the island going belly up.

Question resolved in the affirmative.

**Consideration**

The following orders of the day relating to
committee reports and government responses
were considered:

**Rural and Regional Affairs and Transport**
Legislation Committee—Interim report—
The proposed importation of fresh apple
fruit from New Zealand. Motion of Senator
Calvert to take note of report agreed to.

**Rural and Regional Affairs and Transport**
References Committee—Report—The inci-
dence of Ovine Johne’s disease in the
Australian sheep flock. Motion of Senator
Calvert to take note of report agreed to.

Treaties—Joint Standing Committee—40th
report—Extradition - a review of Austra-
lia’s law and policy. Motion of Senator
O’Brien to take note of report agreed to.

Legal and Constitutional References
Committee—Report—Healing: A legacy
of generations: Report of the inquiry into
the Federal Government’s implementation
of recommendations made by the Human
Rights and Equal Opportunity Commission
in Bringing Them Home—Government re-
sponse. Motion of Senator McKiernan to
take note of document agreed to.

Corporations and Securities—Joint Statu-
tory Committee—Report—Corporate Code
of Conduct Bill 2000. Motion of the chair
of the committee (Senator Chapman) to
take note of report agreed to.

Finance and Public Administration Refer-
ences Committee—Report—Corporate Code
of Conduct Bill 2000. Motion of Senator
Calvert to take note of report agreed to.

Foreign Affairs, Defence and Trade—Joint
Standing Committee—Report—Visits to
immigration detention centres. Motion of
the chair of the committee (Senator
Ferguson) to take note of report agreed to.

**DOCUMENTS**

**Consideration**

The following orders of the day relating to
reports of the Auditor-General were consid-
ered:

Auditor-General—Audit report no. 5 of
2001-02—Performance audit—Parlia-
mentarians’ entitlements: 1999-2000. Mo-
tion of the Leader of the Opposition in the
Senate (Senator Faulkner) to take note of
document agreed to.

Orders of the day nos 1 to 25 relating to re-
ports of the Auditor-General were called on
but no motion was moved.
COMMITTEES

Intelligence Services Committee

Extension of Time

Message received from the House of Representatives acquainting the Senate of a resolution agreed to by the House extending the time for the Joint Select Committee on the Intelligence Services to present its report to 27 August 2001.

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

That the Senate concurs in the resolution of the House of Representatives.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Crowley)—Order! It being 6.14 p.m., I propose the question:

That the Senate do now adjourn.

Queensland Teachers Union Campaign

Senator BRANDIS (Queensland) (6.14 p.m.)—It has been said that in war truth is often the first casualty. Sadly, the same is often the case in political debate. Tonight, I want to bring to the attention of the Senate a recent, most disgraceful example of the sacrifice of truth on the altar of political expediency. I refer to the campaign of half-truths, misinformation and outright lies by the Queensland Teachers Union in relation to the Commonwealth’s commitment to school funding. That campaign has taken the form of paid media advertising, including particularly dishonest radio commercials, mobile billboards and, even more disgracefully, the use of schoolchildren as conduits for QTU propaganda.

The thing to notice about the QTU campaign is that it is not a campaign for smaller class sizes or better conditions for teachers. It is certainly not a campaign to lift educational standards. It is not even a campaign to increase the overall level of education funding. Rather, it is two things. Firstly, it is an overtly party political campaign against the Liberal and National Parties, paid for—no doubt, without their consent—out of the pockets of Queensland’s teachers. Secondly, it is an ideological campaign against the right of parents to send their children to the school of their choice, whether the school be a government school or a non-government school.

The funding of primary and secondary schooling is the responsibility of the state governments and not of the Commonwealth government. Yet, curiously, one does not see an advertising campaign directed by the QTU against the Beattie Labor government. Rather, the message which is being peddled in Queensland by the QTU is that government schools have suffered as a result of the Howard government’s schools funding policies. That proposition is a lie. Let me explain why it is a lie.

Notwithstanding that the constitutional obligation to fund schools lies with the states, the Howard government has introduced a number of specific targeted programs to support Australian schools. Those programs are in addition to the revenue returned to the states from the GST, which is available to them for all purposes. In Queensland this financial year, the aggregate GST payments to be returned to the state treasury will be $4.6 billion, which is almost half as much again as the entire state education budget.

In the seven years between the election of the Howard government in 1996 and the end of the 2002 financial year, Commonwealth spending on government schools—that is, payments specifically for schools, not GST revenue—will have increased by 43 per cent. That is way ahead of the rate of inflation and represents one of the largest real increases in funding in any sector of the Commonwealth budget. In Queensland, the increase in Commonwealth funding for government schools has been even greater: an increase of 52 per cent in the period 1996-2002. Yet in the current calendar year, school funding by the Queensland government will rise by only 4.1 per cent.

The Commonwealth is also spending more money to support non-government schools. There is an obvious reason for that. Total Commonwealth funding for all schools, both government and non-government, has increased in real terms throughout the life of the Howard government. In Queensland alone, direct Commonwealth funding of schools, both government
and non-government, rose by 11 per cent in 1997, to $714 million; by 10.4 per cent in 1998, to $788 million; by 8.9 per cent in 1999, to $858 million; and by 10.9 per cent in 2000, to $952 million. In all but one of those years, the rate of increase to Queensland schools was the highest of any Australian state.

The level of funding will continue to rise. It will rise by 8.9 per cent in real terms this financial year, to $1.04 billion; by 7.3 per cent in 2002, to $1.12 billion; by 6.6 per cent in 2003, to $1.19 billion; and by 6.9 per cent in 2004, the final year of the current quadrennium, to $1.27 billion. Never before has any Commonwealth government spent more in directly funding Australia’s schools; never before has Commonwealth funding directed to Australia’s schools enjoyed greater real increases; never before has any Australian government spent more by way of direct grants to government schools. In that increased funding context, my state, Queensland, has done better, proportionately, than any other state.

So what is the QTU on about? How can educators criticise eight years of continuous real increases in Commonwealth funding for schools, including eight years of real increases in Commonwealth funding for government schools? Of course, the people who peddle these lies are not really educators; they are political activists, ready to lie and to distort in order to make political points. In its propaganda, the QTU treats education funding as if it were a zero sum game, so that every extra dollar given to fund non-government schools is to be treated as if it were taken away from government schools. In that increased funding context, my state, Queensland, has done better, proportionately, than any other state.

The truth is, the QTU is engaged in trying to revive the divisions of the old state aid debate, which was buried in this country in the 1960s. To his great credit, it was buried by a Labor Party leader, Gough Whitlam. Not since the 1960s have we seen the rhetoric of the class war revived against the interests of non-government schools, against the interests of the students who attend them and of the parents who choose to have their children educated in those schools.

The greatest lie of the lot is to suggest that the rebalancing of Commonwealth funding has been to the profit of elite non-government schools. The truth is otherwise, because the great winners, the great beneficiaries, of this government’s schools funding policies have been some of the poorest schools in the land. I speak of the poor Catholic schools and other religious denominational schools in the working-class suburbs of Sydney, Melbourne and the other capital cities. I speak with some feeling about this, because I am a product of that system—the Catholic system at the lower end of the socioeconomic scale. The schools in that system include the poorest schools in this country, and those schools are the biggest winners of the rebalancing of Commonwealth priorities. The resources available to those schools have been, on average, much poorer than those available to government schools. How is it possible, without hypocrisy, to invoke the language of social justice to criticise a set of funding policies that concentrate their attention on the poorest schools in the land?

The Queensland Teachers Union and the other Australian education unions that have engaged in this unseemly, dishonest and grubby debate have tried to cultivate the lie in the minds of the Australian people that this government is spending its money on the elite schools. Most of the extra money going to non-government schools is going to the poorest schools in this country. That is equity; that is social justice. The Queensland Teachers Union and the Australian Labor Party should hang their heads in shame that they have set their face against social justice.

**Faulkner, Senator John: Alleged Smear Campaign**

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (6.24 p.m.)—I want to tell you a story about my sewer. All week Senators Alston and Heffernan have been making snide cracks across the chamber about the sewer pipe under my house. Recently, Sydney Water responded to inquiries on this matter. What is really going on here is a desperate
smear by the New South Wales Liberal Party muck machine, members of which are some of the best character assassins in politics. The allegation is that I used my public position for personal gain when I renovated my house five years ago. This is completely untrue, and it is so far from the truth that it is absurd.

Given that the Liberal Party is so interested in my sewer, here are the facts. When I was renovating my house I was told that I had to move by two feet a sewer main that terminated in my backyard. When the house was partly demolished and open to the weather, Sydney Water insisted that I put the sewer main under my house to connect a vacant block of land next door. The owners of that land informed me they did not want their block connected to the sewer. And that is what this whole thing is about. This is what the Liberals want to turn into a massive conspiracy.

For the record, I paid, as Sydney Water required, over $3,000 for the sewer pipe to go under my house so that my renovations could go ahead. Also for the record, it cost me more than $20,000 to fix persistent flooding in my home over the next two years caused by the sewer excavation. I took out a second mortgage to pay for it. I refute categorically that I sought in any way to exert influence on anyone involved in this matter.

People in public life have exactly the same problems with bureaucracy as anyone else. We have to engage in the same sort of frustrating argy-bargy that everyone else does when they run into a problem with a local, state or Commonwealth authority. At the end of this particular argy-bargy, I had to pay a lot of money for five metres of sewer pipe to run under my house to a vacant block of land. Now, five years after the event, I have to put up with this pathetic innuendo from the Liberal Party.

I have documents, letters and receipts concerning all aspects of this matter. Anyone who wants to see these documents is welcome to come to my office and go through them. My Liberal opponents need not apply. I would invite them to inspect the sewer under my house, but I know that they have already been there!

**Human Rights: Right to a Fair Trial**

**Senator GREIG** (Western Australia) (6.29 p.m.)—This evening I bring to the attention of the Senate a matter that concerns me and, I hope, all fair-minded Australians. When living in a society, even as reasonably fair as ours, there is the danger of complacency, of false security or of believing that the rights we have come to expect can be and will be delivered should we ever find ourselves stranded on the other side of the law. Most of us believe that somehow, nebulously, the protection of fundamental human rights is part and parcel of life in Australian society.

This evening I would like to draw back the curtain a little to reveal just how tenuous this notion of protection can be, given the absence of an Australian charter of rights. This evening I would like us all to consider the notion of the right to a fair trial in particular in Australia. I think it is very easy for us to close our eyes to an issue like this when the only exposure many of us have to matters of a legal or judicial nature comes from television. It is all too easy in a society trained by TV, fed on TV and where people speak casually about their ‘rights’ and plead the ‘fifth amendment’ or demand to ‘call their lawyer’. However, our real awareness and education on the importance of the fair trial in our democratic society should not come from watching *The Practice*, *Law and Order* or, worse still, *Ally McBeal*.

Our awareness and education should come from every defendant struggling to represent themselves in the courts because they have no access to legal aid. In the High Court, 28 per cent of civil special leave applications and 18 per cent of criminal applications are unrepresented. In the Family Court, it is now estimated that some 35 per cent of cases have one or more parties unrepresented. Our awareness should come from every news article splashing the details of a case across the front page before it has even seen the inside of a courtroom. Our awareness should come resounding out of the cells where remand prisoners sit and wait for months, sometimes years, for their turn in court to come.
Maybe it is enough to say that we have ratified the International Covenant on Civil and Political Rights, indicating our good intentions to protect human rights, and then pat ourselves on the back and leave the process and procedures of protection to the courts. Maybe the ongoing injustice is not bad enough to warrant action in the form of actively protecting the basic right to a fair and expedient trial before the law. But to those in this chamber who entertain that idea, I challenge them to take the opportunity to address these shortcomings in our legislative framework. I challenge them to take the opportunity to support a parliamentary charter of rights and freedoms and start the process of building real protection for the rights of Australians.

The protection of the right to a fair trial in the US is through the vigorous application and defence of constitutional rights, under which the right to a fair trial is incorporated. The US Supreme Court has found that ‘the moral health of the American community is strengthened by according even the most miserable and pathetic criminal those rights which the Constitution has designed for all people’. Should Australia be no less moral in its defence of the rights of Australians? Canada has enacted a charter of rights and freedoms to ensure that its intention to be bound by the International Covenant on Civil and Political Rights is not just an empty platitude. Are we in Australia any less serious about incorporating the spirit of that famous international treaty into Australian law? Even England and New Zealand—where people, like Australians, have no constitutional right to a fair trial—have clearly stated their acceptance of the supremacy of this basic right.

It must be acknowledged that this is an essential feature of democratic society: the right to be tried fairly before being able to be denied one’s liberty. But, despite this undeniable fact, there is still no guarantee of the right to a fair trial in Australia. Instead, we as the makers of law in this country have left the protection of the fair trial to the courts. There are those who will say that this is perhaps the better way; that the assurance of a trial by an impartial court is essential for the preservation of an effective justice system; that the public’s confidence in the integrity of the justice system and the courts should therefore protect their own image and function and ultimately protect this right. I am sure you will forgive me if I find this reasoning a little convoluted and more than just a little ridiculous. We are responsible to our constituents to protect the rights that we so often say they deserve. It is our responsibility to ensure that the people who have given us this office, this privilege, are protected when they are in a situation of standing trial.

In no way do I criticise the approach of the High Court in its attempts to ensure the continued development of human rights protection. The High Court has a demonstrated, measured approach to the importance of persistent redefinition of the boundaries between accused persons, the police and the community. A recent academic study found that the High Court ‘confirms the notion of fairness as the theme to approaching criminal law and procedure’ by which our trials are governed but that this notion of fairness includes not only fairness to the accused but also fairness to the state, fairness to victims and a consideration of the continuation of the justice system. But isn’t it strange that the High Court is formulating fairness in this context, almost as a democratic notion, an element of citizenship, a part of community protection? Make no mistake: this is a human rights concept without the backbone of a charter of rights, and we as legislators must shoulder the responsibility of our role and not leave this issue in the too hard basket.

To legislate for a right to a fair trial would not open any floodgates or unbalance our legal system. It would silence those who would call us hypocrites and it would start a process which will hopefully see a fairer justice system by the end of it. It would be a place to start in a world where media and technology can make a mockery and a circus out of the most serious of institutions—that of our courts. We would just be doing our job. We have delayed long enough, talked long enough, but not done enough. I believe it is time to put our money where our mouths are and to support the introduction of some
Drugs: Heroin Addiction

Senator FERRIS (South Australia) (6.35 p.m.)—Tonight I want to speak on how Australia is trying to overcome the scourge of heroin addiction, a problem that now affects around 74,000 men, women and young people in Australia. As chair of ADTARP, a board that administers a rehabilitation centre in Adelaide, I have a strong personal interest in substance abuse and in helping young people take back control of their lives. So I was dismayed and alarmed to learn that the National Crime Authority, of all organisations, appears to be supporting the option of free distribution of heroin. I am also shocked that the chairman of the NCA could possibly say that we are losing the fight against drugs and substance abuse. Our Tough on Drugs strategy is tackling this problem in three ways—law enforcement, education and health—and already the results show that the strategy is working.

I was surprised to hear from the Commissioner of the AFP, Mr Mick Keelty, today that the National Crime Authority’s published commentary on organised crime, the report that was released yesterday, was using figures that were out of date by 18 months. I hope this was not a deliberate decision, particularly as the report was dated August 2001. For example, the National Crime Authority gives the impression that 700 kilos of heroin had recently been seized when the truth is that almost two tonnes of heroin had been seized—a 50 per cent increase on last year’s figure and a great success for both the police and Customs.

Every week I have desperate parents on the phone with 16-year-olds, 17-year-olds and sometimes even 15-year-olds wanting to get them into rehab, and there are just not enough beds. One 21-year-old from the Canberra district has not been able to get a rehab bed in New South Wales, and his desperate mother has seen him overdose at least five times. I recently had a discussion with the clients in the house, and every single one of them said, ‘If only we could’ ve got into rehab a year ago, we wouldn’t be here now. We’d be back in the community leading a drug free life.’ Yesterday I asked Mr Crooke to clarify his published comments on page 23 of the National Crime Authority document, which says:

We must respond to the ongoing progression of this problem. Among the many measures worthy of consideration is to control the market for addicts by treating the supply of addictive drugs to them as a medical and treatment matter subject to supervision of a treating doctor and supplied from a repository that is government controlled.

Just an hour ago, Mr Crooke responded to my letter and assured me that the quote I have just taken from the document should not be read to suggest that the NCA favours the general legalisation of drugs. His letter went on to say that the NCA has never said anything in support of what is commonly
known as a shooting gallery or a heroin injecting room. While Mr Crooke’s assurances are, of course, something of a relief to me, a glance at today’s media should make it clear to him that the consistency of the reporting of both his press conference remarks and the published commentary itself denies the description of this as being misleading. While Mr Crooke claims in his letter sent not only to me but also in a draft to the Australian, which he attached to his letter to me, that the Australian had published a ‘quite misleading article’—so then, surely, did every other newspaper in the country this morning. I ask you, Mr Crooke, if that is so, why at the press conference did you say:

... everything should be considered, nothing should be rejected

And why did you go on to say:

... under the trial the supply of those drugs is price controlled, because it can only come from a repository that is controlled by the government and only be released under medical supervision ...

And why did you then go on to say:

... the heroin trial would wean people off heroin with price controlled drugs released by the government ...

I ask you, Mr Crooke, how else could this have been reported by the media? Let us not shoot the messenger when we do not like the news. Perhaps from this sorry business, which has at least raised the debate on our successful Tough on Drugs strategy and led people like me to today talk about what we are doing in our rehab house. I leave the Senate with the story of Johnno, a very young teenager whose only goal in life before he came to our rehab was to—by the time he was 12—spend a night in every cell of the country police station where he lived, and he did. Johnno understood what it was like to set a goal and achieve it.

Thankfully, now Johnno and a number of other young kids about his age are starting to find their way back onto the streets drug free, rehabilitated, as a result of houses like Shay Louise House, which I am associated with, and the work that we are doing to help young kids to regain their lives. Johnno and the thousands of others in this country who are addicted to heroin and other substances deserve the access he now has had to a rehab.

They deserve a drug-free life because, as the Swedes say, drugs destroy dreams.

Cambodia: ‘Friends’ Project in Phnom Penh

Senator CROWLEY (South Australia) (7.44 p.m.)—I want to talk very briefly tonight about a wonderful project that I visited in Phnom Penh during a visit to Cambodia. I was privileged to join four other senators to journey with the CDI—the Centre for Democratic Institutions—at the ANU for discussions about the Senate in Thailand and then in Cambodia. While we were in Cambodia, Australia’s Ambassador, Louise Hand, suggested that we might have lunch at a particular project in Phnom Penh. I am extremely grateful that we went there. From time to time in my life I actually meet goodness. There are lots of times I meet ‘would be good if we could’ or ‘we are struggling to be good’, but occasionally you meet real goodness.

This project is called Friends and it consists of a whole series of very modest, indeed humble, buildings comprising a nursery school and schools for children from primary school through to early secondary school and sheds where young teenagers are able to go and learn about fixing bikes, about electricity and wiring, how to fix a television, machining, beauticians’ work and so on. So a lot of these young people are being prepared for what they might do when they no longer have the opportunity to visit Friends. Most of the children who come are street children who sleep where they can. Most do not have homes to go to: they are orphans, street kids and urchins who have been turfed out of their houses. The whole project does a lot to protect the children, particularly girls, because girls from as young as five who are part way pretty are grabbed off the streets into the sex trade. If it did nothing else but protect young boys and young girls in Cambodia, the project would deserve commendation.

It is run by a young man called Sebastian Marot, who came from France some seven years ago to stay for three months. He is still there. He organised this project initially using his own personal funds. He rented these properties and then established very modest
nursery school facilities—they are largely benches—and found teachers. He now has two doctors working there because the number of children who are HIV positive is pretty shocking. The numbers are not accurately known because not all the children wish to have tests. Some of them are assisted to have tests and we do know that a large percentage of them are already HIV positive.

The project features another characteristic that is quite wonderful: it runs a restaurant that is more than adequate. Indeed, it is an extremely good restaurant. The children are encouraged to learn about cooking. In cooking grade 1 they learn to wash vegetables, how to harvest vegetables, how to cut, chop and prepare food. In grade 2 they graduate into preparing food for the children and staff in the project. In grade 3 children actually work in the restaurant that serves anybody, and we enjoyed an extremely good lunch there.

I commend the project—I cannot speak too highly of it—for the feeling there, the climate of generosity and so on. As I said, it was originally funded by Sebastian’s personal savings. He is a very young man—just into his 30s. It is now enjoying funding under AusAid through the Save the Children Fund and I am in the process of writing to Minister Downer urging his continuing funding for such a project, because it builds on the extremely extensive goodwill Australia enjoys in Cambodia. Recent history would explain why that is the case. But, of course, the needs change. The war has passed but the country is now in considerable need of assistance in infrastructure.

This project is almost about developing a human infrastructure. One of things that the children are taught is social niceties: how do you say hello to people, how do you learn what are ordinary manners and politenesses when you do not have mothers and fathers, if you have no adult around you except those who are teaching you how to knock over buildings or how to become thieves or to work in gangs to hurt people? Nobody had thought that these children needed teaching in just simple manners and social niceties. That is also taught in this project.

What drives Sebastian? When I asked him about it, he said that three people started the project: one was driven by a commitment to Christianity, another was driven by a warmth and compassion—if you like, the maternal feeling—and he was driven by social justice, a passion he learned from his family in France.

I could speak at great length about this project. As Sebastian said, ‘You do not want to have a project that is a palace when the children go home to sleep on the streets in the evening.’ So his project is modest by most standards, but pure gold in terms of what it is doing for the children.

How were the rules and regulations established? He sat down with the children and asked them to come up with rules—and he said that those children were much rougher and tougher than he was. He said that some of their work concerned when to modify the rules that the children had established. They said, ‘Anybody who steals in this project from anybody else is out and can never come back again,’ and he said, ‘If you have grown up knowing only stealing, maybe we should practise some gradations. If it is just a little thing a person has stolen and it is the first time, et cetera.’ He said that he had to modify and negotiate with the children about even the rules of how the place should be run, who should come in and how they should behave within the rules, who should see that those rules were implemented and who should see that the punishments were implemented. He believed that it was no good having rules and responsibilities if everybody there was not held to participating in those rules.

The feeling and the atmosphere were of considerable joy and industry. A lot of these young children—who know nothing much in terms of ordinary home life, who sleep on the streets and who take some support from each other—found, when this young man came with his two partners at the time, a friend indeed who has provided for those children a learning haven which means that many of them will be able to advance to constructive adulthood. If ever there was a place that needed it, it is Cambodia post the devastation and the war. We went to the school
where there is the memorial to the 20,000 or more who were tortured to death by the Khmer Rouge. That monument must stand.

It is extremely refreshing that you can go down the road to the project called Friends and see what goodness there is to counter the evil that has been done in that country and to see the goodness that is now balancing some of the tragedy and know that Australian aid dollars have been supporting the project. I was very pleased to visit the project and I am very pleased to support it. As I say, I will be writing to Minister Downer on behalf of the project. I welcome Australia’s participation there, and particularly I congratulate all the people involved.

Silver, Mr Errol

The President (6.52 p.m.)—At the end of July this year, Errol Silver retired as the Chief Broadcasting Officer at Parliament House. Errol began his long broadcasting career as a disc jockey on commercial radio. He then spent nearly 30 years with the Australian Broadcasting Corporation. During that time he worked as an announcer and managed ABC radio stations in Canberra, Adelaide, Hobart and Newcastle. Errol was involved in parliamentary broadcasting several times in his career, beginning in the mid-1970s in the Old Parliament House. In recent years, he was the chief parliamentary announcer, managing the radio coverage of both houses on NewsRadio. On behalf of honourable senators, I convey to Errol our appreciation for his long service to the parliament and wish him and his wife, Dorothy, a long and happy retirement.

Senate adjourned at 6.53 p.m.

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

- Lands Acquisition Act—Statements describing property acquired by agreement under sections 40 and 125 of the Act for specific public purposes [2].
- Telecommunications (Carrier Licence Charges) Act—

Indexed Lists of Files

The following document was tabled pursuant to the order of the Senate of 30 May 1996 as amended 3 December 1998:

Indexed lists of departmental and agency files for the period 1 January to 30 June 2001—Statements of compliance—Office of the Commonwealth Ombudsman.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Civil Aviation Safety Authority: Flight Operations Inspectors
(Question No. 2301)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 6 June 2000:

With reference to the advice given by the Director of Aviation Safety, Mr Toller, during page 267 of the Rural and Regional Affairs and Transport Legislation Committee Estimates hearings on 27 May 2000, that ‘we had a situation in the past where promotion into the FOI3 rank was specifically about length of time within the Authority; it was done by steps, going up by aircraft type, until you reached the largest type’ ( Estimates Hansard, p267):

(1) Was the policy of promotion by seniority only for Flight Operations Inspectors (FOIs) outlined by Mr Toller a formal policy of the Civil Aviation Safety Authority (CASA); if so: (a) when did that policy commence; and (b) when was that policy abandoned; if not, what was the basis of Mr Toller’s advice to the estimates committee on this matter.

(2) Since 1 January 1997: (a) how many FOIs have been promoted; (b) to what level were they promoted; and (c) in each case, what was the length of their employment by CASA at the time of their promotion.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

The Civil Aviation Safety Authority (CASA) has provided the following advice—

(1) Mr Toller’s statement on 24 May 2000 was a characterisation in general terms of the process of advancement. Consistent with the Public Service, for which seniority as a basis for promotion was removed in 1984, advancement of all CASA employees is based on merit, and where appropriate, mandatory qualifications relevant to aircraft endorsements. While length of service may sometimes advantage an applicant due to corporate knowledge, it is not a specific selection criterion. The current qualification requirements for a Flying Operations Inspector Level 3 state that the FOI “hold or have held an Air Transport Pilots Licence (ATPL) (including a Class 1 Medical certificate), Command Multi Instrument Rating (Aeroplane) and extensive Check and Training experience.

(2) (a) As at 21 April 2001, 14 Flying Operations Inspectors have received promotions; (b) 7 Flying Operations Inspectors Level 1 have been promoted to Flying Operations Inspector Level 2, and 7 Flying Operations Inspectors Level 2 have been promoted to Flying Operations Inspector Level 3; and (c) Person A – FOI 2 to FOI 3 – Commencement date July 1989, Promotion date May 2000; Person B – FOI 2 to FOI 3 – Commencement date May 1989, Promotion date May 2000; Person C - FOI 2 to FOI 3 – Commencement date June 1985, Promotion date May 2000; Person D - FOI 2 to FOI 3 – Commencement date January 1983, Promotion date May 2000; Person E - FOI 2 to FOI 3 – Commencement date July 1994, Promotion date September 2000; Person F - FOI 2 to FOI 3 – Commencement date December 1999, Promotion date September 2000; Person G - FOI 2 to FOI 3 – Commencement date June 1995 Promotion date February 1999; Person H – FOI 1 to FOI 2 – Commencement date September 1997, promotion date July 2000; Person I - FOI 1 to FOI 2 – Commencement date November 1996, Promotion date July 2000; Person J - FOI 1 to FOI 2 – Commencement date August 2000, Promotion date October 2000; Person K - FOI 1 to FOI 2 – Commencement date March 1999, Promotion date February 2001; Person L - FOI 1 to FOI 2 – Commencement date October 2000, Promotion date February 2001; Person M - FOI 1 to FOI 2 – Commencement date May 1997, Promotion date October 2000; Person N - FOI 1 to FOI 2 – Commencement date November 1994, Promotion date October 2000.

Pharmaceutical Benefits Scheme: Aricept
(Question No. 3136)

Senator O’Brien asked the Minister representing the Minister for Health and Aged Care, upon notice, on 31 October 2000:
(1) Has the Pharmaceutical Benefits Advisory Committee (PBAC) received an application seeking the listing of Aricept on the Pharmaceutical Benefits Scheme (PBS); if so, on how many occasions has an application been made for the listing of the above drug on the PBS.

(2) (a) When was each application lodged; (b) when was each application considered by the PBAC; (c) when was a final decision made by the PBAC in relation to each application; and (d) what was the outcome.

(3) If the above applications were rejected by the PBAC what was the basis for the rejection.

Senator Vanstone—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:

(1) The PBAC has received applications seeking the listing of Aricept for the treatment of mild to moderately severe dementia of the Alzheimer’s type on the PBS. An application has been made for the listing of the above drug on the PBS on four occasions.

(2) (a) The applications were lodged in December 1997, December 1999, June 2000 and October 2000.

(b) These applications were considered by the PBAC in March 1998, March 2000, September 2000 and December 2000 respectively.

(c) A final decision in relation to these applications was made by the PBAC at the time of its consideration of each application at PBAC meetings held on 5-6 March 1998, 2-3 March 2000, 31 August - September 2000, and 30 November - 1 December 2000 respectively.

(d) At the March 1998 and September 2000 PBAC meetings, the Committee declined to recommend the listing of Aricept and deferred making a decision on the application considered at the March 2000 PBAC meeting. The committee recommended approval of the application at its December 2000 meeting.

(3) The PBS is the way in which the Government subsidises the cost of drugs and medicinal products to the Australian community, providing reliable and affordable access to a wide range of necessary medicines.

Before a medicine can be subsidised via the PBS, it must be assessed by the PBAC – an independent expert body whose membership includes doctors, health scientists, other health professionals, and a consumer representative. The PBAC advises the Government regarding which drugs and medicinal preparations should be listed as pharmaceutical benefits. When considering applications to list drugs on the PBS, the Committee is required to take into account a number of criteria, including the medical conditions for which the medicine has been approved for use in Australia, and its medical effectiveness, cost-effectiveness and safety compared with other treatments.

At its March 1998 meeting, the PBAC declined to recommend listing of Aricept because it did not accept that the cost-effectiveness and health benefits measures for Aricept were adequate to support PBS availability for all patients with mild to moderate Alzheimer’s Disease.

The PBAC deferred making a decision on the application considered at the March 2000 meeting pending the outcome of a meeting of relevant stakeholders, including expert clinicians, to develop prescribing criteria which would ensure that Aricept could be directed to those patients most likely to benefit from treatment.

At its September 2000 meeting, the PBAC decided not to recommend listing because the Committee considered the prescribing criteria and guidelines proposed by expert clinicians attending the April 2000 stakeholder meeting were impractical and too complicated to administer. Although the criteria for initiation of treatment were appropriate, the PBAC was concerned that the cessation of treatment rule would not target Aricept to those patients who experience an unambiguous clinical improvement on treatment.

In making this decision, the PBAC also encouraged the manufacturer of Aricept to re-submit a listing application which proposed a simpler cessation of treatment rule and also included descriptions of the meaning of improvement resulting from treatment with Aricept in terms of the impact on a typical Alzheimer’s patient and their carer.

The PBAC subsequently recommended approval of the application to list Aricept on the PBS at its December 2000 meeting and listing occurred on 1 February 2001.
Pharmaceutical Benefits Scheme: Exelon
(Question No. 3137)

Senator O’Brien asked the Minister representing the Minister for Health and Aged Care, upon notice, on 31 October 2000:

(1) Has the Pharmaceutical Benefits Advisory Committee (PBAC) received an application seeking the listing of Exelon on the Pharmaceutical Benefits Scheme (PBS); if so, on how many occasions has an application been made for the listing of the above drug on the PBS.

(2) (a) When was each application lodged; (b) when was each application considered by the PBAC; (c) when was a final decision made by the PBAC in relation to each application; and (d) what was the outcome.

If the above applications were rejected by the PBAC what was the basis for the rejection.

Senator Vanstone—the Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:

(1) The PBAC has received applications seeking the listing of Exelon for the treatment of mild to moderately severe dementia of the Alzheimer’s type on the PBS. An application has been made for the listing of the above drug on the PBS on two occasions.

(2) (a) These applications were lodged in June 2000 and October 2000.

(b) The first of these applications was considered by the PBAC at its meeting on 31 August – 1 September 2000. The second application was considered by the Committee at its 30 November - 1 December 2000 meeting.

(c) A final decision in relation to these applications was made by the PBAC at the time of its consideration of the applications.

(d) The Committee declined to recommend the listing of Exelon at the September 2000 meeting, but subsequently approved the application at its December 2000 meeting.

(3) The PBS is the way in which the Government subsidises the cost of drugs and medicinal products to the Australian community, providing reliable and affordable access to a wide range of necessary medicines.

Before a medicine can be subsidised via the PBS, it must be assessed by the PBAC – an independent expert body whose membership includes doctors, health scientists, other health professionals, and a consumer representative. The PBAC advises the Government about which drugs and medicinal preparations should be listed as pharmaceutical benefits. When considering applications to list drugs on the PBS, the Committee is required to take into account a number of criteria, including the medical conditions for which the medicine has been approved for use in Australia, and its medical effectiveness, cost-effectiveness and safety compared with other treatments.

Listing was not recommended at the September 2000 PBAC meeting because the Committee considered the benefits of Exelon appeared to be small and the clinical importance of such benefits to patients and carers to be uncertain. In addition the data submitted by the manufacturer of Exelon showed the level of cost-effectiveness to be unacceptable.

In making this decision, the PBAC also encouraged the manufacturer of Exelon to re-submit a listing application which proposed a simple cessation of treatment rule which could target the drug to those patients who experience an unambiguous clinical improvement on treatment and also included descriptions of the meaning of improvement resulting from treatment with Exelon in terms of the impact on a typical Alzheimer’s patient and their carer.

The PBAC subsequently recommended approval of the application to list Exelon on the PBS at its December 2000 meeting and listing occurred on 1 February 2001.

Department of Employment, Workplace Relations and Small Business: Programs and Grants to the Gwydir Electorate
(Question No. 3218)

Senator O’Brien asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 18 December 2000:
(1) What programs and/or grants administered by the department provide assistance to people living in the federal electorate of Gwydir.

(2) What was the level of funding provided through these programs and/or grants for 1996–97, 1997–98, 1998–99 and 1999–2000 financial years.

(3) What level of funding was appropriated for the above programs and/or grants for the 2000–01 financial year.

**Senator Alston**—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honorable senator’s question.

(1), (2) and (3) The programs and grants administered by the department that provide assistance to people living in the federal electorate of Gwydir are specified in the following table together with the level of funding provided in the financial years indicated.

The figures should be read in conjunction with the explanatory notes which follow.

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<td>(1) Office of Labour Market Adjustment (OLMA), Regional Assistance Programme (RAP): expenditure after 1 July 1999 has been linked to electorate based on the location where the bulk of the project occurs. Prior to 1 July 1999 records contain only limited information on the location of the activity. Expenditure for this period has been allocated to electorates based on the postcode of the region where the bulk of the project occurs. In cases where a postcode applies to more than one electorate the expenditure has been assigned to the electorate with the greater geographic area. The data includes all information available as at 14 June 2001.</td>
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<td>(2) Area Consultative Committees (ACCs): cover multiple electorates. Expenditure for each electorate has been calculated by dividing the total funding for an ACC equally among the electorates involved. The data includes all information available as at 14 June 2001.</td>
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<td>(3) Indigenous Employment Policy (IEP): and the Training for Aboriginals and Torres Strait Islanders Programme: expenditure has been allocated to electorate based on location of projects. The data includes all information available as at 14 June 2001.</td>
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<td>(4) Job Network (JN): expenditure has been allocated to electorate based on the location of JN sites. The data includes all information available as at 30 April 2001.</td>
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<td>(5) Return to Work Programme places are allocated by Labour Market Region (LMR) and expenditure has been attributed to the electorates relevant to the Region having regard to area of the electorate and the size and distribution of population within it. Expenditure for the period ending 30 June 2001 is based on the amount allocated for the period. The data includes all information available as at 30 June 2001.</td>
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<td>(6) Work for the Dole Programme (WFD): expenditure on each project has been linked to electorate by the geographic location or locations at which the activity occurs (as advised by the project sponsor). Where, as a result of this process the locations associated with a project fall into more than one electorate, the funds associated with the project have been divided</td>
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equally among the electorates involved. The number of recipients for a project is the number of approved places for which funding is available. Funding to cover management by Community Work Coordinators has been attributed in proportion to the funding of projects. The data includes all information available as at 30 March 2001.

(7) Community Support Programme (CSP): expenditure is allocated to electorate based on the postal address of the recipients. Expenditure for the period ending 30 June 2001 is based on the amount allocated for the period. The data includes all information available as at 24 May 2001.

Civil Aviation Safety Authority: Outsourcing of Information Technology

(Question No. 3468)

Senator O’Brien asked the Minister for Transport and Regional Services, upon notice, on 27 February 2001, with reference to the outsourcing of information technology within the Civil Aviation Safety Authority:

(1) What negotiations took place regarding project specification prior to the requests of tender being developed.

(2) Did the Office of Asset Sales and Information Technology Outsourcing (OASITO) negotiate with CASA separately from, or in conjunction with, external service providers.

(3) Did any consultations take place with OASITO to develop the project specification, as part of the development of the request for tender.

(4) (a) Was there an independent review of CASA prior to the request for tender being developed and released; b) who conducted that review; (c) who paid for the review and what did it cost; and (d) what role did OASITO play in the review.

(5) Were there any changes to the project specifications from the release of the request for tender to the final version of the contract; if so, what were those changes.

(6) Did those differences have an impact on the cost to CASA of the outsourcing.

(7) Did CASA have input into the development of the project specifications, the request for tender and the final contract.

(8) What processes were put into place to ensure that OASITO understood CASA’s business and any particular requirements CASA had.

(9) (a) Who was responsible for evaluating the tenders; and (b) what was the process for evaluating the tenders.

(10) (a) How was the process of evaluating the tenders carried out; and (b) was CASA involved in each stage of the process; if not, from what stages of the process was CASA excluded.

(11) Specifically, was CASA involved in the industry development evaluation stage of the process.

(12) Was the involvement of CASA in the tender evaluation process as a separate entity or as a member of a cluster grouping.

(13) At any time in any of the tender evaluation processes, did the cluster grouping make a recommendation for a particular tenderer which did not conform with OASITO’s views; if so: (a) what was the nature of the recommendation; and (b) what was the basis for the difference of opinion.

(14) How was the difference of opinion resolved in each case, what was the outcome.

(15) Were there any interim reports or discussion papers issued by OASITO setting out the different points of view, the basis for the differences and proposed courses of action.

(16) Did OASITO award a contract during any process to an external service provider, which was not the service provider recommended by the agencies as a group.

(17) Did CASA develop, or have any role in developing, the tender evaluation reports.

(18) Can a copy of these tender evaluation reports be made available.

(19) What role did CASA play in contract negotiations.

(20) Did CASA have its own legal representation during the contract negotiation stages.

(21) What components were outsourced, what services does the external service provider provide to CASA.
(22) (a) Why was it deemed necessary to sell to the provider the hardware at the commencement of the contract and buy the hardware back from the provider at the end of the contract; and (b) is this a normal arrangement.

(23) (a) Were both mainframe and desktop components included in the hardware transfer; (b) what is the life of CASA’s mainframe; and (c) why was the mainframe included in the transfer.

(24) (a) What is the life of a desktop unit; (b) when did CASA last replace its desktop units; and (c) when is the external service provider scheduled to replace CASA’s desktop units.

(25) What is CASA’s potential liability for re-acquisition of assets at the end of the contract.

(26) What provision is there in CASA’s contract for the adoption of new technology.

(27) What impact do the terms of the contract have on the ability of CASA to adopt new technology during the life of the contract.

(28) Will CASA be required to make additional payments in order to access new technology under the contract.

(29) What advice did CASA provide to the Department of Finance and Administration or OASITO in relation to potential savings from outsourcing prior to actually outsourcing.

(30) Was any liability for the re-acquisition of assets (guaranteed buyback) at the end of a contract factored into the savings estimates.

(31) Did CASA’s estimates of cost savings differ from OASITO’s; if so, what was the quantum of the difference and how were the different figures arrived at.

(32) Were OASITO’s projections of cost savings accurate; if not, why not.

(33) What expenditure was incurred by CASA in preparation for outsourcing.

(34) Has outsourcing been cost effective for CASA.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s questions:

The Civil Aviation Safety Authority (CASA) has provided the following advice:

(1) CASA did not participate in any negotiations concerning the project specifications prior to developing the Request For Tender (RFT).

(2) While OASITO had overall responsibility for negotiations with external service providers for the Group 8 agencies, CASA did participate in some negotiations. In conjunction with OASITO, CASA negotiated agency specific issues with the selected service provider but separately from other Group 8 agencies.

(3) CASA was involved in consultations with OASITO on the development of components of the RFT, the Statement of Work, the Service Level Agreement and the schedule describing CASA’s IT Environment to be outsourced. CASA was not involved in consultations on the specification of the outsourcing project. The scope of services to be outsourced, the process to be followed in the evaluation, the evaluation criteria, and the structure of the evaluation committees were all prescribed by OASITO.

(4) (a)-(d) No. There was no independent review of CASA IT infrastructure, prior to the RFT being developed and released.

(5) After the release of the original RFT in March 1999, the RFT was modified once in October 1999 to reflect small changes in CASA’s infrastructure and mid-range application suite. In addition, the original tender specification included a number of optional services including voice (telephone) services. The final contract did not include voice services.

(6) Changes made to the RFT(see answer 5) did not adversely impact on the cost to CASA of the outsourcing. However, the removal of voice (telephones) from the scope of services after the release of the revised RFT, significantly changed the costs of outsourcing for CASA.

(7) CASA was not involved in the project specification of the outsourcing project. The scope of services to be outsourced, the process to be followed in the evaluation, the evaluation criteria and the structure of the evaluation committees were all prescribed by OASITO. CASA was involved in the development of components of the RFT, the Statement of Work, the Service Level Agreement and the schedule describing CASA’s IT Environment to be outsourced. CASA had input into the development of the contract and changed clauses relating to, for example, Insurance.
CASA is aware that OASITO undertook a number of activities aimed at understanding CASA's business requirements. This included meeting with key CASA staff, undertaking a risk assessment of IT outsourcing to CASA's business and presenting CASA with the opportunity to ensure that its business needs and requirements were properly accounted for by participating in the development of the RFT Schedules, particularly the development of the Statement of Work and the service level schedules. CASA also was represented in the Evaluation Committee and the Steering Committee.

The tenders were evaluated by teams, on which CASA was represented. OASITO was responsible for the evaluation process utilised by the evaluation teams.

The process of evaluating the tenders is described in the Group 8 Evaluation Guide, which was based on a template provided by OASITO. Essentially the evaluation was divided up into 3 evaluation teams:

- Corporate - responsible for assessing the capability and risk of the tenderers
- Financial - responsible for assessing the financial aspects of the tenders
- Technical - responsible for assessing the technical aspects of the tenders

An evaluation report was completed with input from each of these teams and the completed report was then presented for review to the Evaluation Committee. The Evaluation Committee, which had representation from each of the Group 8 agencies, passed on its recommendations for a preferred tenderer to the Steering Committee. The Steering Committee, which was made up of representatives from each of the member agencies of Group 8, then reviewed these recommendations in order to make a recommendation to the Options Committee. The Options Committee, chaired by OASITO, was the only evaluation committee to have access to the tendered industry development (ID) components of the bids. The Options Committee then took into account the recommendations of the Steering Committee as well as the tendered ID proposals in order to make a recommendation to the Minister for Finance and Administration and the Minister for Communications Industry Technology and the Arts.

CASA did not participate in the evaluation of the ID component of the bids.

No. CASA was not involved in the industry development evaluation.

CASA participated in the tender evaluation process as a member of Group 8.

OASITO did not express to CASA a view (either differing or in agreement) in relation to tender evaluation recommendations. The process of selecting the service provider was conducted in accordance with the defined process designed by OASITO. OASITO co-ordinated the process, the Committees made recommendations and the Minister for Finance and Administration made the final decision.

The Steering Committee made a recommendation on a particular external service provider that was subsequently overturned by the Options Committee after ID was taken into account.

CASA had representatives on the Corporate Evaluation, the Technical Evaluation and the Financial Evaluation Teams all of whom contributed to the evaluation report.

OASITO are the custodians of these reports. It is CASA's understanding that these reports are being sought from OASITO by the Committee – Finance and Public Administration, as part of their hearing into IT outsourcing.

OASITO was responsible for undertaking contract negotiations on behalf of the Group 8 agencies. CASA was present during these negotiations to define issues or areas of concern.

CASA did not engage legal representation for contract negotiations.

All Information Technology and Telecommunications Infrastructure with the exception of telephone facilities were outsourced. The services provided by the external service provider include the provision and management of:

- All Local Area Network Infrastructure include LAN Servers, Mail Servers, Printers and PC equipment
- All midrange (Unix, VAX/VMS) platforms
- All Wide Area Network (WAN) infrastructure
(22) (a)-(b) This was a component of the agreement as prescribed by OASITO. Outsourcing arrangements often involve the sale of the equipment to the outsourcer. CASA has no knowledge of what is considered normal business practice at the end of the contract term with regards purchasing back equipment from the outsourcer.

(23) (a)-(c) Desktop components were included in the hardware transfer. CASA did not operate a mainframe.

(24) (a) The life of a desktop unit is three years.
   
   (b) More than 60% of CASA’s desktop equipment was more than three years old at handover to IPEX. During 1999, a minor refreshment program operated, which replaced approximately 25% of CASA’s desktop PC’s.

   (c) On 23rd February 2001, IPEX commenced the first round of replacement of desktops equipment including PC’s, printers and other peripherals. According to the contract, PC’s are to be replaced every 3 years, while the replacement cycle for printers is 4 years.

(25) The potential liability cannot be readily quantified as the circumstances for the buy back of assets will depend on the choices CASA will make at the end of the contract term and the equipment levels in place at that time.

(26) All desktop hardware is replaced once it is three years old and networked printers older than four years are replaced. Standard Operating Environment (SOE) software is upgraded within 12 months of the software being released to the market. CASA can change the scope of the contract to include new services as business requirements dictate.

(27) The legal agreement does not restrict CASA’s ability to adopt new technologies to meet business needs by adding and removing services to and from the scope of the agreement.

(28) Additional payments may be required if additional services are added to the scope of the agreement. However, CASA is not required to make additional payments to access new technology where there is an existing service within the scope of the agreement.

(29) As part of the process of outsourcing, CASA worked with OASITO to develop a cost model capturing CASA’s internal cost for delivering IT services. This model was used to identify the savings to be derived from outsourcing. The final report presented to the Options Committee from the Steering Committee contained savings estimates for Group 8. The Minister for Finance and Administration made the final decision based upon the Committee’s recommendations.

(30) The evaluation report contains consideration of end of term adjustments.

(31) Yes, CASA’s estimate of cost savings differed from OASITO’s. CASA estimated a loss of $850,000 over the 5 year life of the contract. The difference in results were from the following:
   
   • CASA did not factor in the same degree of savings from reduced overhead costs.
   • CASA calculated higher costs for contract management.
   • CASA factored in costs for contract re-negotiation at the end of the current agreement.
   • CASA factored out Competitive Neutrality and took account of the Efficiency Dividend.

(32) CASA’s projections differed from OASITO’s (see response to 31 above). At this stage, however, CASA is unable to determine whether OASITO’s projections were accurate because CASA is less than 12 months into the contract.

(33) Over the project’s 18 months, a small number of staff were dedicated to the project for varying periods. CASA did not track the project costs associated with participating in the Government’s IT Outsourcing Initiative.

(34) CASA identified a number of benefits from outsourcing IT Infrastructure including:
   
   • CASA can concentrate on its core IT business systems projects as opposed to “day to day” management of infrastructure;
   • More rational supply model for IT services to CASA and CASA business units through clear definitions of service levels and costs transparency;
   • Adoption of a sound IT Infrastructure plan;
   • Desktop software upgrades within 12 months of release;
   • Remote access
   • Upgrade of all desktop equipment greater than 3 years old;
Rationalisation of current levels of equipment;
Enhanced backup and security;
Higher levels of availability, reliability, scalability and monitoring or mid-range infrastructure.
While it is still early days, tangible benefits have already been identified such as:
a more structured approach to IT Service delivery, for example as part of the outsourcing CASA has instituted cost attribution to the various functional units within CASA which is likely to result in IT services better matching business requirements.
Desktop equipment and software upgrades were commenced by IPEX on 23 February 2001 following equipment rationalisation.
In addition to periodic internal audit reviews, CASA will undertake a post implementation review after the contract has been in operation for twelve months.

Rural Women’s GP Program
(Question No. 3560)

Senator Crossin asked the Minister representing the Minister for Health and Aged Care, upon notice, on 4 April 2001:
(1) What are the specific objectives of the Rural Women’s GP Program.
(2) What criteria were used in deciding where to deliver the program.
(3) In which Northern Territory locations is the program being delivered.
(4) How many women general practitioners are working under the program in each of these locations.
(5) At what time intervals is the service being offered in each of these locations.
(6) How many hours or days of service per month are being delivered in each of these locations.
(7) How many women in the Northern Territory have received services through the program.
(8) Has evaluation of the service been undertaken to date.
(9) (a) What specific issues has that evaluation covered; and (b) how many of these issues have been canvassed with the clients of the service.
(10) If client evaluation has been carried out, what means has been used to undertake it.
(11) What further evaluation is planned.

Senator Vanstone—The Minister for Health and Aged Care has provided the following answers to the honourable senator’s questions:
(1) The Service aims to improve access to primary and secondary health services for women in rural Australia who currently have little or no access to a female general practitioner. It provides women in rural and large remote communities the opportunity to seek health care of their choice.
(2) Criteria :
• 50km from a practicing female doctor;
• population over 1,000; and
• have reasonable access to primary health care services provided by a male GP.
(3) Alyangula and Tennant Creek.
(4) One in each location.
(5) Alyangula-fortnightly
Tennant Creek- monthly.
(6) Alyangula-7 hrs/mth
Tennant Creek- 9.5 hrs/mth.
(7) Alangula, 47
Tennant Creek, 77
TOTAL, 124
(8) No.
(9) (a) See 8.
(b) See 8.
(10) See 8.
(11) It is anticipated that a post implementation review of the program will be conducted in 2001-2002.

**Roads: Murrumbateman Bypass**

**(Question No. 3597)**

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 6 June 2001:

With reference to the Rural and Regional Affairs and Transport Legislation Committee’s hearing of 31 May 2001, during which the Director of the Roads Program in the Department, Mr Ed Cory, advised that contact between the Commonwealth Department of Transport and Regional Services and the New South Wales Roads and Traffic Authority in relation to a traffic consultancy being undertaken by Connell Wagner as part of the assessment process for the Murrumbateman bypass was linked to milestone events in relation to the consultancy:

(1) Can the Minister provide a schedule of the milestone events referred to by Mr Cory.
(2) In each case: (a) what was the nature of each contact; (b) when did each contact occur; (c) what was the purpose of each contact; and (d) what was the outcome of each contact.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(1) and (2) Representatives of the Department met with representatives of the Roads and Traffic Authority (RTA) at a number of meetings, which were part of the public consultation process. Representatives of the Department attended a Value Management workshop on 18-19 July 2000. Five Community Consultation Committee meetings were held in the three months prior to the workshop, most of which were attended by a representative of the Department. Departmental representatives attended the public consultation meetings in order to advise the community representatives in relation to the Commonwealth’s perspective on the study and to observe progress on the study.

Representatives of the Department also met with the RTA at regular meetings to discuss Commonwealth funding for roads in NSW. Progress on the Murrumbateman bypass study was discussed at these meetings. Department officers met with the RTA in order to give them guidance on the Commonwealth’s perspective on the study and to observe progress on the study.

**Roads: Murrumbateman Bypass**

**(Question No. 3600)**

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 6 June 2001:

(1) Can the Minister advise who determined the terms of reference for the route selection study undertaken as part of the Murrumbateman bypass assessment process by consultant Connell Wagner.
(2) If the terms of reference for the above consultancy were determined by the New South Wales Roads and Traffic Authority, what role did the Commonwealth Department of Transport and Regional Services play in their development.
(3) What role did the department play in ensuring that the study considered at least one western bypass option as part of the route selection process.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(1) and (2) The Federal Government was not involved with preparing the terms of reference for the Connell Wagner consultancy. They would have been prepared by the New South Wales Roads and Traffic Authority.
(3) The Federal Government was not involved in determining the routes considered. Nevertheless officers of the Department of Transport and Regional Services made clear to the Roads and Traffic Authority that it considered that parts of the Murrumbateman community would not accept the exclusion of all western routes without some genuine consideration of them.
Northern Territory Ports: RASS Scheme
(Question No. 3603)

Senator Crossin asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 12 June 2001:

1. (a) Can a list be provided of all Northern Territory ports currently covered by the scheme; and (b) if it is not possible to isolate Northern Territory ports, please provide a list of all ports on RASS routes which include Northern Territory ports.

2. Can a list be provided of the 29 communities which the department indicated in an answer to a question on notice following the November 2000 estimates that have applied for or been nominated for inclusion on the scheme.

3. What is meant by nomination for the scheme.

4. (a) Who nominated these communities; and (b) how will nomination affect their eligibility under revised guidelines.

5. Will these ports be given priority over new applications.

6. Why are the new guidelines for the scheme yet to be finalised, given a statement by a departmental officer at the November 2000 estimates hearing that these would be finalised early in 2001.

7. If the guidelines have been finalised, can a copy be provided.

8. Given that RASS has effectively been closed to new applicants since 1990, what specific measures are being taken to ensure that indigenous communities unaware of the RASS scheme are given information about the purpose of the scheme and how it operates.

9. When will the department advertise seeking applications for inclusion on the scheme.

10. In terms of advertising, the department stated in response to a question on notice from the November 2000 estimates that it would use national and local newspapers and ‘other means as necessary’. Please specify what this means.

11. What specific advertising strategies will the department use to advertise the scheme to remote Aboriginal communities.

12. Once applications have been advertised, how much time will be allowed for responses.

13. (a) If the Minister has discretion under the new guidelines to admit ports not meeting the selection criteria, how will potential applicants be informed of this; and (b) will the size of the population and the health and social impacts of not having regular access to essential supplies be among the parameters used by the Minister in exercising his discretion.

14. (a) If applicants eligible for inclusion exceed the funding available to service these additional ports, what criteria will be used to determine which communities are accepted for inclusion; and (b) will these include any of the following: (i) the relative population bases of the port, (ii) a quantitative comparison of isolation measured in surface travel time to the nearest service centre, (iii) a quantitative comparison of absolute isolation by surface travel in weeks per year when there is no surface access, and (iv) assessment of current level of access to fresh food.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

1. (a) The Northern Territory ports covered by the RASS scheme are:


(b) Refer to (a).

(2) The 29 communities that applied for or were nominated for inclusion on the RASS scheme and were referred to in the November 2000 estimates are as follows:

Queensland
Morella Station—Mt Isa area
Sweers Island—Gulf of Carpentaria (applied 1996)

Tasmania
Cape Barren Island

Western Australia
Kimberley region
East of Derby
Napier Downs—presently on Australia Post airmail run
Mount House—presently on Australia Post airmail run
Mornington Homestead—presently on Australia Post airmail run
Gibb River—presently on Australia Post airmail run
Mount Elizabeth—presently on Australia Post airmail run
Mt Barnett—presently on Australia Post airmail run
Beverley Springs—presently on Australia Post airmail run
Pantijan—presently on Australia Post airmail run
Mt Hart—presently on Australia Post airmail run
Tableland
West of Wyndham
Home Valley
Ellenbrae
Drysdale River—presently on Australia Post airmail run
Doongan—presently on Australia Post airmail run
Theda—presently on Australia Post airmail run
Kalumbur—presently on Australia Post airmail run
Oomulgurri—presently on Australia Post airmail run
South of Kununurra
Yagga Yagga
Kachana
Pilbara region
Newman area
Nullagine
Jiggalong—presently on Australia Post airmail run
Parrgurr (Cotton Creek) — presently on Australia Post airmail run
Punmu—presently on Australia Post airmail run
Mount Divide—presently on Australia Post airmail run
Balfour Downs—presently on Australia Post airmail run
Ethel Creek—presently on Australia Post airmail run
Kunawarritji
As indicated in the reply to question (1), the Northern Territory is presently served by an extensive RASS scheme network, as well as separate mail runs, and none of the 29 communities that had previously applied for or were nominated for inclusion in the scheme were from the Northern Territory.

Nevertheless, the recent advertisements seeking applications from communities to join the scheme have drawn applications from three communities in the Territory. These applications will be considered on their merits along with others received in response to these advertisements.

(3) Nomination for the scheme refers to communities that were nominated for the scheme by other bodies (refer to (4)(a)).

(4) (a) State Government departments, community development trusts and current RASS operators have nominated communities to be included on the RASS scheme.

(b) Revised guidelines is assumed to refer to revised eligibility criteria. Communities that had previously applied or had been nominated to be included in the RASS scheme must now submit applications addressing the recently revised eligibility criteria. Applications will be accepted from communities themselves or from other bodies nominating a community’s inclusion on the scheme on its behalf. The eligibility of a community will not be affected by the method of application.

The Department has written to all previous applicants and to bodies nominating communities asking that they submit applications addressing the revised eligibility criteria.

(5) All applications will be considered on their merits. The 29 communities referred to above will not be given priority over new applications.

(6) The eligibility criteria were finalised in mid June 2001. Finalisation of the criteria took longer than expected. The Department’s first priority in late 2000 was to conclude the tender process to select RASS operators and have new contracts in place by 1 January 2001. While this timing was achieved, there were a few outstanding contractual matters that demanded attention in early 2001. Also, the Department sought comments on the criteria from a broad range of stakeholders and this essential consultation process added to the time taken to finalise the criteria.

(7) A copy of the revised eligibility criteria is enclosed.

(8) As well as through newspaper advertisements (refer to answer to question (9)), the Department wrote to a broad range of RASS stakeholders asking that they circulate advice on expansion of the RASS scheme to their networks of contacts. Attached to these letters was information on the purpose of the scheme and how it operates, revised eligibility criteria and advice on the standard of aerodrome required. Included amongst these stakeholders are the Aboriginal and Torres Strait Islander Commission (ATSIC), Schools of the Air, the Royal Flying Doctor Service, the Western Australian Aboriginal Affairs Department and other organisations that had previously nominated Aboriginal communities for inclusion on the scheme. The Department has received inquiries from several Aboriginal communities interested in applying for admission to the scheme.

(9) The Department placed advertisements in the Aviation Supplement in the “Australian” on 15 and 22 June 2001 and in regional newspapers serving remote areas of Australia.

(10) ‘Other means as necessary’ included seeking the assistance of a broad range of stakeholder organisations. These organisations were advised that the Department was seeking applications from communities to join the scheme and asked to circulate that advice, together with revised eligibility criteria, amongst their networks of contacts in remote regions of Australia. Organisations approached included Community Associations (including Pastoralists and Graziers, and the Cattleman’s Association), current RASS operators, Community Development Trusts, Tourism and Development Commissions, State/Federal Government Departments (Education, Transport, Human Services, Aboriginal Affairs/ATSIC), National Parks and Wildlife Services, Schools of the Air, Local Government Associations, Local Governments/Shires, previous applicants, Isolated Children’s Parents’ Association, Royal Flying Doctor Service and Australia Post.

(11) Refer to reply to question (8).

(12) The closing date for applications is 27 July 2001.

(13) (a) The Minister’s discretion to admit communities not meeting the criteria is explained in the revised eligibility criteria provided to interested communities.

(b) These matters, along with any other factors that demonstrate a need for a regular air service, will be taken into consideration by the Minister in exercising his discretion.
(14) (a) If the available funding proves to be insufficient to include all eligible communities, the primary objective will be to endeavour to spend the funds in a manner that secures a benefit for the greatest number of people living in remote communities. More specific guidelines aligned to that broad objective are presently being developed.

(b) The factors identified are being taken into consideration in developing these guidelines.

**Family and Community Services Portfolio: Post-Budget Promotional Campaign**

**(Question No. 3610)**

Senator Faulkner asked the Minister for Family and Community Services, upon notice, on 13 June 2001:

(1) Is the Minister’s portfolio responsible for a post-Budget promotional campaign, which includes full page newspaper advertising, ‘Have you caught up with the Commonwealth Budget Benefits for Older Australians’, first published on 13 June 2001.

(2) What is the total cost of the promotional campaign.

(3) Which company or companies are carrying out the: (a) qualitative; and (b) quantitative, research for this campaign, and what is the cost of the respective research.

(4) Who will have access to the results of this research.

(5) What are the costs of the advertising placement.

(6) What is the duration of the campaign.

(7) What will be the cost of the Senior Australian Tax Information Line.

(8) In which department or agency is the information line based.

(9) If it is not based in a department or agency, who is the contracted operator of the information line.

(10) Will there be a mail out to seniors as part of this campaign; if so, please detail the costs.

(11) Will there be radio advertising; if so, please detail the costs.

(12) Will there be television advertising; if so, please detail the costs.

(13) Will there be any other type of advertising or promotion used in this campaign; if so, (a) what type; and (b) what will be the cost.

Senator Vanstone—The answer to the honourable senator’s questions is as follows:

(1) to (6) and (10) to (13) Refer to answers given in Q3611.

(7) (8) and (9) Questions referred to Minister representing the Treasurer.

**Family and Community Services Portfolio: Post-Budget Promotional Campaign**

**(Question No. 3611)**

Senator Faulkner asked the Minister for Family and Community Services, upon notice, on 13 June 2001:

(1) Is the Minister’s portfolio responsible for a post-Budget promotional campaign, which includes full page newspaper advertising, ‘Have you caught up with the Commonwealth Budget Benefits for Older Australians’, first published on 13 June 2001.

(2) What is the total cost of the promotional campaign.

(3) Which company or companies are carrying out the: (a) qualitative; and (b) quantitative, research for this campaign, and what is the cost of the respective research.

(4) Who will have access to the results of this research.

(5) What are the costs of the advertising placement.

(6) What is the duration of the campaign.

(7) What will be the cost of the Seniors Budget Information Line.

(8) In which department or agency is the information line based.

(9) If it is not based in a department or agency, who is the contracted operator of the information line.

(10) Will there be a mail out to seniors as part of this campaign; if so, please detail the costs.

(11) Will there be radio advertising; if so, please detail the costs.
(12) Will there be television advertising; if so, please detail the costs.
(13) Will there be any other type of advertising or promotion used in this campaign; if so, (a) what type; and (b) what will be the cost.

Senator Vanstone—The answer to the honourable senator’s question is as follows:

(1) Yes.
(2) $9.5 million.
(3) (a) Worthington Di Marzio provided qualitative market research at a cost of $65,500.
(b) Worthington Di Marzio has been contracted to undertake the quantitative measurement/evaluation of the effectiveness of the campaign at an estimated cost of $32,340.
(4) The Department, the advertising agency, the Government Communications Unit, the Ministerial Committee for Government Communications, and the Minister’s Office.
(5) $7.3 million for print, radio and television advertisements.
(7) $3.6 million.
(8) Contracted out but managed by the Department of Family and Community Services.
(9) Telstra.
(10) No.
(11) Yes; $2.3 million.
(12) Yes; $3.2 million.
(13) (a) Yes; print media.
(b) $1.8m.

Water: Namoi Valley
(Question No. 3618)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 14 June 2001:

(1) Can a copy be provided of the $40 million water conservation program for the Namoi Valley announced by the Deputy Prime Minister, Mr Anderson, including: (a) an expenditure profile for the life of the program; (b) details of the work program by year; and (c) details of other state and Commonwealth agencies that will be involved in the work.
(2) In addition to the Commonwealth contribution of $40 million: (a) what other funding is factored into the program; and (b) what is the estimated total cost of the program.
(3) What existing Commonwealth programs will be used to fund the program.
(4) (a) How much money from each program will be allocated to this project; and (b) over what time period will funding from each program be allocated.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

The Deputy Prime Minister, the Hon John Anderson MP, in his announcement of 8 June 2001 was referring to the report of the Namoi Valley Groundwater Task Force. That report has yet to be released by the New South Wales Government. The offer of a Commonwealth contribution of the order of $40 million was based on the Task Force estimates of a likely structural adjustment program.

The Deputy Prime Minister’s announcement made it clear that the Commonwealth contribution is conditional on the New South Wales Government fulfilling its responsibilities by contributing $40 million for the retirement of water entitlements and on water licence holders meeting Task Force recommendations.

Any Commonwealth funding will be from existing programs. Details will not be finalised until the New South Wales Government commits to a response to the Task Force report.
Child Support: Shared Care Payments
(Question No. 3643)

Senator Brown asked the Minister for Family and Community Services, upon notice, on 22 June 2001:

With reference to contact (or non-custodial) parents who claim shared care payments (10 per cent):

(1) Can these payments be made retrospectively; if so, who pays.
(2) If a non-custodial parent’s earnings are too high for the means test, is the shared care payment still removed from the custodial parent; if so, to whom does it go.
(3) With reference to (2), what happens to the payment if the non-custodial parent does not make a claim for payment.
(4) What proportion or percentage of custodial parents are: (a) female; and (b) male.

Senator Vanstone—The answer to the honourable senator’s question is as follows:

(1) Yes. Parents, including non-resident parents, can claim their entitlement to Family Tax Benefit for the previous financial year when they lodge their income tax return after the end of the financial year.

If a parent is eligible for Family Tax Benefit, payment is made by the Family Assistance Office.

(2) Both resident and non-resident parents receive their entitlement to Family Tax Benefit based on their level of care and individual financial circumstances.

However, recent Government amendments to the A New Tax System (Family Assistance) Act 1999 will allow a non-resident parent to waive their eligibility for Family Tax Benefit, which would mean that the resident parent can receive the full amount of Family Tax Benefit for the child.

(3) As outlined above, both resident and non-resident parents receive their entitlement to Family Tax Benefit based on their level of care and individual financial circumstances unless the non-resident parent chooses to waive their eligibility for Family Tax Benefit, in which case the resident parent can receive the full amount of Family Tax Benefit for the child.

(4) The latest Australian Bureau of Statistics data indicates that for children of separated parents:
   (a) 87 per cent live with their mothers.
   (b) 13 per cent live with their fathers.

Aviation: Sport Accidents
(Question No. 3653)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 27 June 2001:

(1) How many sport aviation accidents were reported in 1998, 1999, 2000 and to date in 2001.
(2) (a) How many of the above accidents resulted in death or serious injury; and (b) how many of the above accidents were the subject of an investigation by the Australian Transport Safety Bureau.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

The Australian Transport Safety Bureau has advised the following:

(2) (a) 30 of the above accidents resulted in death or serious injury.
   (b) 7 of the above accidents were the subject of an investigation by the Australian Transport Safety Bureau.

Belandra Meatworks: Employees
(Question No. 3668)

Senator Carr to ask the Minister for Family and Community Services, upon notice, on 29 June 2001:
(1) Is the Minister aware of the fire at Victoria’s largest meatworks, the Belandra meatworks in Brooklyn on the outskirts of Melbourne, which has made 800 workers unemployed.

(2) Is the Minister aware of correspondence from the Premier of Victoria to the Prime Minister seeking cooperation in developing an effective program of income support for these workers.

(3) Will the Minister waive the current conditions applying to the receipt of social security payments, as requested by Premier Bracks, as a contribution towards protecting jobs and rebuilding the company.

Senator Vanstone—The answer to the honourable senator’s question is as follows:

(1) I am aware of a fire that destroyed the Belandra Meatworks in the western suburbs of Melbourne on 20 June 2001.

(2) I am aware of a letter from Premier Bracks to the Prime Minister asking for assistance to have normal social security requirements waived for employees affected by the fire.

(3) The legislation and policy affecting Newstart Allowance contains a reasonable level of flexibility to ensure that people who do not have adequate resources to support themselves receive immediate assistance while requiring people with adequate resources that are able to support themselves do so for a period of time before calling on tax-payer funded assistance.

All workers impacted by the fire at Belandra Meatworks should contact Centrelink immediately to assess their eligibility and entitlement for social security payments. Social Security payments are assessed on an individual basis taking into account the circumstances of each person. With the exception of Special Benefit, all income support payments have legislated qualification and payability criteria which people must satisfy before they can receive payment. For Newstart Allowance, this means that basic qualification criteria such as being unemployed and being able to look for, and take up, suitable work need to be met.

There are also certain ‘waiting periods’ which apply to some payments before people can become eligible for payment. These include the Ordinary Waiting Period and the Liquid Assets Waiting Period (LAWP). Provisions already exist for people to be exempted from the LAWP or ordinary waiting period for a number of reasons including if the waiting period has been served recently or in cases of severe financial hardship.

I urge all affected workers to discuss their situation with Centrelink.

Australian Maritime Safety Authority: Staff Relocation

(Question No. 3693)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 5 July 2001:

(1) Since January 1999, how many staff employed by the Australian Maritime Safety Authority have been relocated at the Authority’s expense.

(2) In each case: (a) what position did the officer hold prior to the transfer; (b) where was the officer located; (c) where was each officer transferred to; and (d) what position did the officer hold following the transfer.

(3) In each case: (a) when did the transfer take place; and (b) what relocation and other allowances were paid to the officer.

(4) In each case, what was the value and duration of each of the above location and other allowances.

(5) Since January 1999, have any officers been relocated on more than one occasion; if so: (a) how many officers were involved; and (b) in each case, on how many occasions has each officer been relocated.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(1) Since January 1999, 16 AMSA officers were relocated at AMSA’s expense.

(2) (3) and (4) The undernoted table shows in each case:

<table>
<thead>
<tr>
<th>Officer ID</th>
<th>Position Prior to Transfer</th>
<th>Location Prior to Transfer</th>
<th>Location Transferred To</th>
<th>Position Following Transfer</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(2) (b) location before relocation;
(2) (c) location after relocation;
(2) (d) position held after relocation.
(3) (a) when the relocation took place; and
(4) the value of relocation expenses.
(3) (b) The relocation expenses paid to each officer are defined in AMSA’s Reimbursement of Relocation Expenses Policy as reasonable costs resulting from the relocation of the officer, his or her dependents and their household goods and possessions. These may include: expenses in locating new accommodation; transportation costs, initial relocation expenses; realty costs incurred in selling the officer’s residence; rental accommodation costs incurred in fulfilling the officer’s legal liability in terminating an accommodation lease, fees and taxes incurred in the purchase of a home, moving and storage of personal effects.

(5) Since January 1999, no AMSA officer has been relocated more than once.

<table>
<thead>
<tr>
<th>2 (a) Position before relocation</th>
<th>2 (b) Location before relocation</th>
<th>2 (c) Location after relocation</th>
<th>2 (d) Position after relocation</th>
<th>3 (a) When relocation occurred</th>
<th>4. Relocation expenses $</th>
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<tr>
<td>Manager</td>
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<td>Principal Operations Officer</td>
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<td></td>
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Geosafe: Contracts at Maralinga
(Question No. 3714)

Senator Allison asked the Minister for Industry, Science and Resources, upon notice, on 12 July 2001:

(1) Has the Government reached agreement on the final payments to Geosafe for cancellation of the in situ vitrification (ISV) contracts at Maralinga; if so, what was that agreement.
(2) Is the report prepared by Geosafe at the request of the Department on the explosion at Pit 17 available; if so, can a copy by provided; if not when will it be available.
(3) Did the department ask that there be changes made to the report submitted by Geosafe in April; if so (a) what were those changes; and (b) did Geosafe agree to make them?
(4) (a) Has Geosafe (now GeoMelt) been awarded a contract by the United States Department of Energy to treat a pit containing plutonium-contaminated waste in Idaho, using ISV technology; and (b) does this not suggest that the technology is sound.
(5) In answer to Senator Allison’s question during estimates, Dr Loy indicated that 0.6 kg of plutonium was contained in the Taranaki Pits. According to the Pearce report, Taranaki Pits 1-19B contained 20kg of plutonium-239. Can an explanation be provided of the apparent contradiction in these two amounts.
(6) Is it not the case that the ISV measurement process described by Dr Loy during Senate estimates, “The ISV measurement can be performed very accurately because obviously you can take a por-
tion of the ISV material, once the melt is finished, and measure the plutonium in it and then because it is evenly dispersed throughout the block some estimate of the size of the block gives you a fairly accurate estimate of the quantity of plutonium”, is not in fact accurate because the contaminated material and molten earth have different melting points and the block would take a significant period to solidify; particularly when insulated by the surrounding soil, the plutonium, because of its relative density would settle out in the molten material at a range of speeds depending on particle size and only colloid sized particles that had not settled would likely show up in a sample taken from the top of the block showing and an artificially low reading.

(7) According to the Minister’s answer to question on notice no. 2130 (Senate Hansard, 8 July 2000, p. 15048), disposal of plutonium-contaminated material returned to the UK “has occurred at Drigg in both lined and unlined trenches.” Is it true, however, that plutonium-contaminated material in the UK is now required to be in trenches lined with concrete.

(8) Can a copy be provided of the Australian Radiation Protection and Nuclear Safety Agency report entitled Classification and Disposal of Radioactive Waste in Australia - Consideration of Criteria for Near-Surface Burial in an Arid Area; if not, why not?

(9) Noting that the National Radioactive Waste Repository Site Selection Study of November 1995, says “The near-surface repository will only be suitable for the disposal of low level and short-lived intermediate level radioactive wastes” and yet the facility will have a first cover of concrete followed by a clay cap, some fill material and another clay cap, covered by a drainage layer and a geofabric layer before being covered with top soil. How is it that a simple 3 metre earth pit is deemed safe for plutonium-contaminated material at Maralinga.

Senator Minchin—The answer to the honourable senator’s question is as follows:

(1) The Commonwealth has not yet reached a settlement with Geosafe in relation to the termination of the contract to undertake vitrification work at Maralinga.

(2) The Pit 17 report is available and attached. My Department remains of the view that the cause of the incident has not been conclusively demonstrated and that the risk of injury or death from the continued use of the vitrification process was therefore unacceptable.

(3) (a) (b) The Department requested a number of changes to the Pit 17 report in order that the attached revised version prepared by Geosafe closely reflected the original version of the report provided by Geosafe. Some changes were incorporated by Geosafe; others, such as the retention of photographs of the damage to the ISV equipment, were not.

(4) Questions concerning Geosafe’s activities should be directed to the company.

(5) The estimate of the amount of plutonium in the Taranaki pits reported in the Final report on residual contamination of the Maralinga Range and the Emu Site, 1968, AWRE Report 0-16/68 (the “Pearce Report”) was inaccurate. The amount of plutonium in the pits is now accurately known from direct measurement.

(6) An accurate measurement of the amount of plutonium in the ISV blocks was obtained by sampling the homogeneous cores of the blocks in a number of locations. Samples from the inhomogeneous top parts of blocks were not included in the results. There is broad consistency between the amount of plutonium measured in the ISV blocks from treatment of the inner pits, and that measured on debris excavated from the outer pits at Taranaki.

(7) There is no requirement in the UK for plutonium contaminated material to be placed in concrete lined trenches. Rather, it must be demonstrated that the location where waste is stored will retain the waste. The current trench at the Drigg disposal facility is sited in an area of soft clay soil and a high water table in an area of high rainfall, and is open. The trench is lined with concrete to stabilise the structure, and to collect rainwater for monitoring.

(8) A pre-publication draft of the report is attached. It is expected to be published by ARPANSA in the near future.

(9) In determining the limiting concentration of long-lived radioactive materials with half lives of hundreds of years or more, for example, plutonium, it is assumed that the engineered barriers such as concrete liners degrade over time, and the main barrier is the geological characteristics of the surrounding rock or soil. The limit given in the Code of Practice for shallow-ground burial of contaminated bulk soils in a remote arid site in Australia is much higher for plutonium than the levels in the burial trenches at Maralinga.
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