INTERNET
The Votes and Proceedings for the House of Representatives are available at:
Proof and Official Hansards for the House of Representatives,
the Senate and committee hearings are available at:

SITTING DAYS—2001

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

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

<table>
<thead>
<tr>
<th>Location</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>CANBERRA</td>
<td>1440 AM</td>
</tr>
<tr>
<td>SYDNEY</td>
<td>630 AM</td>
</tr>
<tr>
<td>NEWCASTLE</td>
<td>1458 AM</td>
</tr>
<tr>
<td>BRISBANE</td>
<td>936 AM</td>
</tr>
<tr>
<td>MELBOURNE</td>
<td>1026 AM</td>
</tr>
<tr>
<td>ADELAIDE</td>
<td>972 AM</td>
</tr>
<tr>
<td>PERTH</td>
<td>585 AM</td>
</tr>
<tr>
<td>HOBART</td>
<td>729 AM</td>
</tr>
<tr>
<td>DARWIN</td>
<td>102.5 FM</td>
</tr>
</tbody>
</table>
Monday, 20 August 2001

The PRESIDENT (Senator the Hon. Margaret Reid) took the chair at 12.30 p.m., and read prayers.

CONDOLENCES
Gillard, Mr Reginald

The PRESIDENT (12.30 p.m.)—It is with deep regret that I inform the Senate of the death on 16 August 2001 of Mr Reginald Gillard OAM, a former member of the House of Representatives for the division of Macquarie, New South Wales, from 1975 to 1980.

ALCOHOL EDUCATION AND REHABILITATION ACCOUNT BILL 2001
Second Reading

Debate resumed from 27 June, on motion by Senator Minchin:

That this bill be now read a second time.

Senator CHRIS EVANS (Western Australia) (12.31 p.m.)—The Alcohol Education and Rehabilitation Account Bill 2001 is the product of two broken promises from the Prime Minister. The Senate made him keep his first promise that the price of ordinary beer would not increase as a result of the GST: it was demonstrated that ordinary beer served across the bar would actually suffer a large increase in price, and the government was forced to backflip by reducing the level of beer excise. The Prime Minister then promised that all the money collected during the period when beer prices had risen would go into a foundation to reduce the impact of excessive use of alcohol and other legal drugs. He signed a memorandum of understanding with the Democrats, setting out this commitment and undertaking a range of specific commitments that the foundation would be accountable for. These promises have now also been broken, because the foundation has been short-changed and has not been set up as a properly accountable body.

On 14 August 1998, just before the last election, John Howard said about the GST:

Across the board there is virtually no change in relation to alcohol. A tiny CPI equivalent rise in relation to ordinary beer. Perhaps a small reduction for low alcohol beer.

Then on the John Laws program on 23 September, he said:

There will be no more than a 1.9 per cent rise in ordinary beer prices.

The Prime Minister said that the price of ordinary beer would only go up by 1.9 per cent, and yet he oversaw a program that put it up by more than 10 per cent when excise indexation is taken into account. The Prime Minister repeatedly gave an absolute watertight guarantee that the price of ordinary beer would go up by only 1.9 per cent, and it is Labor that forced him to honour that promise.

In April, when the government and the Democrats signed an agreement to establish a private foundation, we were told that the government had collected some $155 million in surplus excise payments during the period from 1 July 2000 to 3 April 2001. This bill has only allocated $115 million to the foundation. Including the additional $5 million to go to heritage hotels, this leaves an unexplained gap of $35 million. The government has refused to produce the figures on which its calculations are made.

The Senate inquiry has heard that the government now argues that the figure of $150 million was an estimate for a full 12 months at the higher rate of excise. However, it has also heard from the brewers, who advised by letter last Friday that in fact they had paid out $145 million above the original estimate. The Australian public are entitled to know whether all the money unlawfully obtained through the overcharging of excise is being returned to them; there are strong grounds to believe it is not.

The agreement the Democrats actually signed off on 3 April said that the private sector foundation was to be given the full agreed $115 million from the surplus beer excise collections during 2000-01. However,
the government has now decided to spread the handover of the money over four years, without any adjustment for interest. In the case of the Natural Heritage Trust, the government paid interest on the sum while it was held by Treasury. In this case, it has refused to hand over the unlawfully collected excise and has refused to pay interest on the money while it is held by the Treasury. This short-changes the foundation by more than $13 million, at the current long-term bond rate of six per cent. This comes on top of the other $30 million or so short-changed because of the dispute over undisclosed estimates of excise receipts.

The deal between the government and the Democrats also contains a number of broad intentions about how the foundation is to operate and stipulates various things about how the money is to be allocated. This includes at least 85 per cent being paid out to professional and community organisations and various minimums to be spent in the first five years on treatment and rehabilitation and on public education and prevention, including an overall minimum of 20 per cent on Aboriginal programs. A maximum expenditure of 10 per cent on administration and promotion in the first year is stipulated. Because this agreement was negotiated in private there is no information about how these proportions were arrived at, and they are not included in this bill. As they only apply during the first year, when $10 million will be spent, there is no indication of the proportions that will apply in subsequent years. Hence, the proportions do not apply to the vast bulk of the proposed spending. It is understood that some of these matters may be dealt with in the constitution of the foundation, but unfortunately that document is not available to throw any light on the subject. I call on the minister to table the foundation’s constitution, so that the Senate can know what it contains.

The Labor Party was amongst the first to advocate that the surplus excise collections should be spent through a foundation, and that remains our view. Labor proposed the following specific priorities: promotion of responsible drinking patterns; research into and treatment of alcoholism; support for community partnership projects related to alcohol education; reduction of domestic violence due to alcohol; and reduction of substance abuse in indigenous communities. We highlighted the fact that a significant proportion of draught beer sales occurs in rural areas and suggested that particular attention should be provided to programs in rural and regional Australia. A number of these themes were also picked up in the agreement entered into by the Democrats, but I am disappointed that some issues, such as reduction of domestic violence, were omitted.

The opposition is concerned that its proposal that the foundation should look at programs to reduce the impact of domestic violence was ignored or overlooked in the negotiating process. We wish to insert this objective at this stage. The focus of the foundation will depend significantly on who is actually appointed. Once again, this is a process that we have no information about, except that the government and the Democrats will select people behind closed doors.

It is difficult to discuss this bill because it deals with only a small part of the total proposal and the details of the foundation itself have not been revealed. There are a number of key areas of concern. Firstly, there is a need for the constitution of the proposed foundation to be tabled in parliament before this bill is passed, because the bill is hard to interpret without that information. Under the 3 April agreement, this constitution was to have been completed between the government and the Democrats by mid-April.

It is not even clear exactly what sort of body the foundation will be. The 3 April agreement refers to the foundation as being an ‘incorporated charitable trust’. However, the bill simply includes two versions of the name under the definition of ‘foundation’ in section 4. It is objectionable that the constitution has not been open to comment by others and that it will not have any parliamentary consideration. At the inquiry, the nominated chair of the foundation suggested that he thought the foundation might be a company limited by guarantee, but he could not be very sure.
Since the bill was introduced, the government has announced a list of people whom they propose to invite to form this foundation as a private entity belonging to those people. This unusual process was apparently agreed between the government and the Democrats, but I think it should be the subject of wider scrutiny. The board members will not be statutory office holders, they will not have fixed terms of office, they will not be subject to any accountability requirements, there are no public conditions of appointment and remuneration and there is no procedure for the appointment of replacement members. This is unacceptable given the large amount of public funds that will be distributed by the foundation.

The people who are nominated appear to be very worthy individuals, and I make no criticism of them—they obviously have expertise in alcohol and other drug programs and in managing community grants programs. However, I think they are putting their reputations at some risk in being involved in such a strange and unaccountable process. Others active in the field will have cause to question how these individuals were chosen, to whom they are accountable and whether they will have any conflicts of interest when it comes to deciding which grants are approved. There cannot be much confidence in a secret process that leads to appointments lacking any clarity about the terms and conditions.

The next issue of concern is the part of the deal for the foundation to submit a detailed business plan 'for approval by the government and the Democrats by August 2001'. This business plan is the document that will guide the foundation’s work, but it is approved through a political process. The agreement envisages that the business plan would be tabled in parliament. However, the bill contains no requirement for the business plan to be released and no requirement for the foundation to operate under open and transparent processes, free of bias. Given the massive rorting of the public purse to the tune of $20 million per month on political advertising over the last six months, there are legitimate suspicions about the government’s motives. Why would the Democrats accept the word of a dishonest government which has frequently broken its promises?

The 3 April agreement envisages that procedures for the foundation to report annually to parliament should be in the constitution of the proposed trust. However, this should be done with parliamentary authority in accordance with the annual reporting provisions applying to similar bodies. The standard and timing of reports should be determined by parliament in line with normal practice for similar bodies. It is inappropriate for a body to determine on its own behalf how and when it will report to parliament. If the bill does not deal with these matters, it is quite possible that the foundation’s constitution will not require it to report to parliament or that the foundation itself may resolve in future years to stop reporting.

The provision for a replacement body to be nominated by the minister if the funding agreement is terminated increases the need for the accountability requirements to appear in legislation and not to rely on the constitution of the initial recipient of funds. The government has been unable to provide satisfactory responses on this issue. The best it can suggest is that the annual reporting provision might be built into the funding agreement in some way, but it suggests it will take the form of a requirement to report to the minister and that the minister may table the report. This is not the same thing as reporting to parliament and it does not give parliament the ability to review the reports or for the body to be considered through the Senate estimates committee, as would be the case for any other body handling such sums of public funds.

The agreement also makes reference to monitoring and reporting on the cost effectiveness and social impact of the foundation without clarifying by whom or to where the foundation reports. These matters should not be left to chance. The bill is also silent about the role of the Auditor-General. The 3 April agreement envisages ‘independent auditing of the accounts and performance of the foundation’. Given the large amount of public money involved, this should be conducted by the Auditor-General with parliamentary authority. The use of a commercial auditor
will introduce problems in achieving the proper level of scrutiny of how the organisation has performed. The body of expertise in the Australian National Audit Office, in relation to maintaining the probity of community grants programs, would be ignored.

It was suggested at the Senate inquiry that the Auditor-General had agreed to use his powers to audit these accounts, but it is quite possible that the new foundation board will not invite the Auditor-General to do so and that the Auditor-General would not be able force the board to comply. The board could appoint an auditor of their own choosing, simply because they are an entirely private company under this bill, free of any accountability to government or to parliament.

The agreement refers to procedures for approval of grants, but does not specify any requirements in relation to how probity and management of conflicts of interest will be managed in running what is a very large grant program by any measure. The legal issues concerning how funds will be recovered by the foundation from non-performing grant recipients also needs to be resolved to ensure that public funds are not misused. The consequences and liability of board members for any maladministration by the foundation or its staff are left up in the air, because the foundation is being created as a private body external to government and is isolated from the probity and auditing provisions that decades of experience have proven are essential for protecting public funds.

Labor’s preference is that the foundation should be established on the proven model of the Victorian Health Promotion Foundation. This is a body with a statutory base and direct lines of accountability to parliament and the Auditor-General for the spending of public funds. It is widely recognised as independent in its decision making and enjoys support from all political parties—partly because, somewhat uniquely, each political party has an MP on the board, which gives it full transparency. There should be a defined board membership and a process for filling vacancies and all of the normal accountability provisions for a person holding a significant public office: defined terms of appointment and remuneration, declarations of interest, removal for bankruptcy and limits on directors’ liability. The foundation should be subject to the Auditor-General and report formally to parliament. Many of these provisions apply to the Natural Heritage Trust, which has a similar role to play in the distribution of funds to community projects. There should be controls on excessive remuneration and political advertising.

Labor is a strong supporter of the concept of the foundation and sees a large backlog of work to reduce the harm caused by alcohol abuse. It is a pity that the concept has not got off to a smooth start because the normal procedures that have been developed over the years to manage the fair and efficient distribution of public funds have been ignored. I hope the Senate will support the amendments that the opposition will move to achieve this very desirable outcome. We hope that our amendments will make the bill better and ensure the success of the foundation by putting in the proper accountability and reporting mechanisms from the start, rather than this rather inadequate approach that the government has adopted. As I say, we will be moving a series of amendments in the committee stage, and I will address those then.

Senator LEES (South Australia) (12.46 p.m.)—I am very pleased to at last be speaking on the Alcohol Education and Rehabilitation Account Bill 2001, which was delayed during the previous sitting and therefore has delayed the actual establishment and the start of the work of the Alcohol Education and Rehabilitation Foundation. I am very disappointed that Labor seems to be so intent on muddying the waters, but I will deal with that later as we move through the committee process.

This is a major opportunity to put a significant amount of money into the prevention of abuse of legal substances of alcohol and petrol and other related substances that particularly young children are likely to abuse, such as glue. Unlike tobacco, which when used as directed is deadly, alcohol when used as it is supposed to be used can indeed be quite a beneficial substance. I realise that there are some teetotallers out there that would still argue with that, but I think most Australians would overwhelmingly agree
that alcohol does have something to add to our lives if it is used wisely.

I am sure, again, that most Australians will be well and truly familiar with various drink-driving campaigns and a raft of other campaigns to try to get us to use alcohol responsibly. But, unfortunately, despite all of the efforts to date, more than 3,000 people die each year from alcohol related causes and, indeed, the economic cost is estimated to be over $1.3 billion still. So, despite the work that has been done, there is a lot of work to do and therefore this funding is extremely important.

We argued at the time that the GST came into existence that beer excise must remain stable, as the government did promise, and that any extra collected should not be kept by government. Basically we have this fund thanks to the beer drinkers of Australia. Indeed, there was a suggestion that it should be called the ‘Beer Drinkers Foundation’. Never mind, we obviously have upset a couple of people by calling it the Alcohol Education and Rehabilitation Foundation, but that is basically what it is set up to do—to work from one end of the problem, the education end, actually informing people of the dangers of abuse and misuse, through the spectrum of prevention to a raft of health issues and then on to rehabilitation for those people who have succumbed to unfortunate habits and practices.

As the beer lobby was mounting their protest against the additional excise collected on draught beer, they surveyed beer drinkers and said, ‘Okay, if we can do anything about this, if we can get the money back, what do we do with it?’ Overwhelmingly, they said that they wanted it put into some sort of a charitable trust, foundation or whatever to basically look at issues related to this and a raft of other charitable matters. The overwhelming majority agreed that the extra should go to a charitable cause. So the foundation has been born. It is the result of negotiations between me as the then Democrats leader and Prime Minister Howard earlier this year. It is evidence of what can be achieved through negotiation and discussion when each side is prepared to compromise and to take on the other’s concerns.

There is ongoing debate—and the ALP has raised the issue this morning—as to exactly how much money we should be talking about. If you talk to the beer industry you get one figure, and you get another figure from Treasury. In the end we asked for independent modelling and the final outcome is somewhere between the two. Around $120 million extra was collected between those two critical dates, and that is what we are dealing with today. This is the one difficulty we had in the negotiations with government. We believed that it was abundantly clear—and I will deal with this again in the committee stage—that:

This bill will ensure that the full equivalent of the increase in excise collected on draught beer since 1 July 2000, less $5 million allocated to the Historic Hotels initiative, is appropriated and allocated to a Foundation to be called the Alcohol Education and Rehabilitation Foundation.

Thanks to their decision just before the last budget to in fact appropriate this money over four years—again the jury is out and there are some discussions as to precisely what the amount of money is—the government have probably short-changed the foundation of about $10 million over four years, and that is the amount of money that the Democrats would now like to find repaid by government back into the foundation. At the moment, as it stands, $115 million is being appropriated through this bill and being put into the foundation.

I am very surprised that the opposition seem to be so vague about the appointments to the board. The announcement was made quite some time ago now. They mentioned that they were aware of some invitations, but the formal announcement was indeed made quite some time ago. I do not have a lot of time this morning to go through the enormous list of qualifications of all of those who have been appointed, but I will go through very quickly in alphabetical order, with a few details on each, the people who have accepted and who are indeed already announced as members.

I will start with Professor Ian Webster, the chair. He is the current president of the Alcohol and Other Drugs Council of Australia, the chair of the National Advisory Council
on Suicide Prevention and visiting physician to the Matthew Talbot Hostel for the homeless. Cheryl Bart is chairman of the Australian Sports Foundation and chairman of its audit committee. She has had a long involvement with charities. Dr Ngiare Brown is currently working with World Vision Australia’s indigenous programs as a preventative health coordinator. She is executive officer of the Indigenous Doctors Association and has a long history of involvement in this area. Reverend Tim Costello is involved, as people in this place are probably well aware, with the urban mission unit of the Collins Street Baptist Church, which offers hospitality to homeless youth in Melbourne’s city centre. He has had first-hand experience of the difficulties with drug detoxification programs. David Crosbie is currently the CEO of Odyssey House in Victoria, one of Australia’s leading alcohol and drug treatment agencies. He is also a member of the National Expert Advisory Committee on Alcohol.

Dr Peter d’Abbs is currently with both the Menzies School of Health Research and the Queensland health department. Prior to joining the Menzies School of Health Research in 1992, he was in charge of research and evaluation at the Drug and Alcohol Bureau in the Territory. He has done extensive work in developing an alcohol strategy for Cape York communities. Scott Wilson has worked in the field of alcohol and other drugs for many years. He is currently manager of Alcohol and Other Drugs Services in Alice Springs.

Anne Mosey has worked with remote Aboriginal communities for over 10 years in the Northern Territory and Western Australia to assist them in the development of strategies concerning alcohol abuse and petrol sniffing. Professor Tim Stockwell has been director of the National Drug Research Institute at Curtin University since 1996 and served as deputy director for seven years prior to that. Dr Bernadette Tobin is director of the Plunkett Centre for Ethics in Health Care at St Vincent’s Hospital in Sydney and a senior lecturer in philosophy at the Australian Catholic University. Scott Wilson is state director of the Aboriginal Drug and Alcohol Council of South Australia, which is the only indigenous organisation of its kind in Australia. He is a very important member of the foundation, as indeed all of these people are. They all bring a vast range of expertise. So I am more than happy, if the opposition are still not sure of any details of who is on the board and what their qualifications are, to give them the complete details, which were publicly released about 2½ months ago.

The objects of the foundation have also very clearly been released. They formed part of the discussions of the Senate committee that looked at this legislation. Roughly, this legislation is to prevent alcohol and other licit or legal substance abuse, including petrol sniffing, particularly among vulnerable populations such as indigenous Australians and youth; support evidence based alcohol and other licit substance abuse treatment, rehabilitation research and prevention programs; promote community education, encourage the responsible consumption of alcohol and highlight the dangers of licit substance abuse; provide funding grants to organisations with appropriate community linkages to deliver the abovementioned services on behalf of the foundation; promote public awareness of the work of the foundation; and raise funds from the private sector for the ongoing work.

About 80 per cent of this money is intended to be spent in the first four years. Hopefully the foundation will be ongoing. It will therefore need to raise additional funding from the community and the private sector—hopefully from the industry generally; that is, not just the beer industry but the alcohol industry generally. I would hope that other foundations would perhaps consider at least working cooperatively with this foundation, and I particularly point here to the wine industry. So the objectives are clearly set out. As the foundation now begins to meet—they have had one initial meeting—we will be able to see the way in which they make progress on these issues.

This brings me to the whole issue of accountability. It is absolute nonsense to suggest, as the opposition have, that somehow this foundation is not going to be accountable. I again draw their attention to the Sen-
ate committee report. I will not go through pages 2 to 5 of that report but just quote one example:

The Bill requires the Minister to table a copy of every funding agreement, and any variation to the agreement, in each House of Parliament within 15 sitting days.

I therefore find it quite extraordinary that the opposition should come in here and say, ’We will never know what is happening; we will never know where the money is going; we will have no idea in the future of what is going on.’ That is absolute nonsense. We wanted an independent foundation that would not in any way be controlled by any department and that would not in any way simply be putting money in as replacement funding for any existing state, territory or Commonwealth alcohol and drug related program. We want this money to be new money and to be spent independently, and I think we have established a board that is very able to determine the priorities as far as spending is concerned.

The funding agreement between the Commonwealth and the foundation will clearly specify a range of accountability and reporting requirements, including the requirement that the foundation provide six-monthly progress reports to the department, as well as an annual report for presentation to parliament through the Minister for Health and Aged Care. While we want this foundation to be completely independent, obviously it has to be fully accountable, and we have made sure that it is fully accountable. Parliament will be able to see step by step what it is doing and where the money is going and how it is spent, and they will be able to do that on a regular basis. The Auditor-General has already agreed in principle to audit the accounts of the foundation under agreements contained in the Auditor-General’s governing legislation. So to suggest for a moment that there is some conflict or some concern about who will audit it, how it will be audited and whether it will be audited by the private sector is not the case—there is no problem. You have only to go back and look at the committee report, which no doubt you have already read, and look quite clearly at what you apparently have great trouble reading: I again refer the opposition to pages 2 to 5 of the committee report which set that out extremely clearly.

I will not go through the opposition’s amendments in any great detail and I will very quickly touch on the suggestions made by Senator Evans that somehow we are not seriously concerned with indigenous issues. As the memorandum clearly states, at least 20 per cent of total expenditure will be used for projects targeting indigenous Australians. The opposition have an amendment dealing with this which is absolutely unnecessary. The position is very clear; there is an undertaking. Two indigenous members of the foundation have been working for a long time on indigenous issues. I can assure the opposition that their attempt to suggest that there is a problem in this area is completely unfounded. Indeed, from my discussions with indigenous communities and Aboriginal people over the last few months, I can say that they are looking forward to participating not just on the alcohol issue but particularly on the petrol sniffing issue.

As most senators would be aware, petrol sniffing is an issue that flares up from time to time. Current estimates show that there are around 500 full-time sniffers in Central Australia. As far as I can ascertain, there is only one adequately funded program in Central Australia and that funding does not seem to be as consistent as it should be. We have an opportunity to make a difference, to put in some checks and balances and to try to give young people something to do. This is why there is someone on the foundation with expertise in sport and recreation. Boredom is a major factor in what leads young people down the path of sniffing petrol and abusing alcohol.

The other initiative I wish to mention, and it has been touched on, is the Historic Hotels initiative. As we have heard again today, the hike in the price of draught beer had a considerable impact in rural areas because that is where, proportionately, there is a greater amount of draught sold. It had a particular impact on smaller hotels and those which did not have access to gaming. Those hotels with poker machines were able to cross-subsidise so that the price of beer did not jump as
much as it should have. Those who were without any means of cross-subsidising, who basically had to rely just on what they got from beer and food sales, were hardest hit. We are particularly interested in this initiative. It is only a small amount of money—only $5 million—but hopefully, as we see the results, it will increase the interest of government in continuing the funding in this area.

As we go through the committee stage I will deal further with the issue of domestic violence. I do not suggest for one moment that this is not a major, indeed a critical, issue that all parliaments across Australia—state, territory and federal—should be dealing with and doing far more about. But to start further dissipating what is funding specifically for alcohol and other legal substance misuse into an area on which we could spend $115 million within 12 months and still not adequately provide the required services is not the way to go. If this is an issue—and I hope it is an issue for both government and opposition—let us see some real funding from normal budgetary sources going into prevention, support accommodation services and specific programs for abusers or people who have been abused, largely women and children. This is not the time to take more resources from this one-off money that is going into drug and alcohol programs. Inevitably, there will be a spin-off as a natural and normal course of events. If we can reduce the level of abuse of alcohol and associated areas, I believe that, quite naturally, we will see a reduction in domestic violence. I do not believe that to specifically earmark money from drug and alcohol programs and move it into this area is appropriate at this time.

Senator McLUCAS (Queensland) (1.04 p.m.)—The Alcohol Education and Rehabilitation Account Bill 2001 is the product of two broken promises from the Howard government. Mr Howard said before the last election that the price of ordinary beer would not increase as a result of the GST. Labor exposed the large increases that ordinary beer served across the bar would actually suffer. Labor forced the government into another backflip to reduce the level of beer taxes. This bill is a direct result of that backflip.

Today, however, I do not want to focus on these aspects of the bill. It is too important an opportunity to just play party politics. Alcohol abuse is a major problem. It is destroying individuals, families and communities. It affects all communities, but it is a serious problem in indigenous communities. When non-indigenous people drink inappropriately, it is most often behind closed doors. Indigenous drinking, however, is often a public event. I would point out that there are many indigenous people seen on our streets who do not drink. A study entitled ‘Somewhere to sit down safe’, undertaken by Bob Durnham in Cairns in the mid-1990s, has confirmed this. Many indigenous people are often wrongly considered to be drinkers. However, there are also those who do drink. There are many indigenous people who are alcoholics. Alcoholics do not drink sensibly. Like heroin and other illegal drug users, they have to abstain. It is a sad indictment of us all that alcohol is such a problem in indigenous communities. This bill provides a real opportunity to do something substantial to combat alcohol abuse in these communities. I want to spend some time focusing on this problem. I also want to focus on the link between alcohol and violence, particularly domestic violence. I will not go into the technicalities of the bill. Labor’s minority report from the Senate inquiry does that in detail. My colleague Senator Chris Evans has also outlined our thoughts on these matters. Given that, there is not much detail in the bill.

I want to express what I believe the people of Queensland, and particularly North Queensland, see as the major issues this foundation must address. $115 million is a significant amount of money. We need to do something significant with it. I hope that if these suggestions are not included in the bill they will at least be included in the foundation’s constitution or business plan. Combating domestic violence needs to be made part of the bill. The submission to the inquiry by the Commonwealth Department of Health and Aged Care states that the foundation’s objectives are broad enough to include do-
mestic violence. I would prefer that this issue be identified explicitly. The 20 per cent funding for indigenous alcohol programs also needs to be enshrined in the legislation. It is currently in the memorandum of understanding between the government and the Australian Democrats, but it needs to be in the legislation.

The problems of alcohol and substance abuse will not be solved in four years. We need to consider how we can maintain and expand this fund into the future. Alcoholism in indigenous communities is a growing problem. It will take at least one generation to address. Even if it could be stamped out tomorrow, the social impacts of the violence and the health problems it is causing will live on. Alcohol has scarred so many lives. It, and the problems it creates, will not go away quickly. Before we can tackle alcohol and substance abuse, one must first understand and contextualise the problem. Geoff Genever, in a report to the Apunipima Cape York Health Council in 1999, points out:

Apart from selected individuals, for 85 years Aboriginal people living in Queensland were legally forbidden to consume alcohol. When prohibition was lifted in 1965 no-one forced them to drink, the decision to do so lay with the individual and with them alone. Therefore, it would be wrong to present Aboriginal people as victims and it is not the intention of this report to do so. However, there are realities that should be considered. Amongst these is the fact that as a people their legal drinking experience is limited and they were subjected to extensive pressure to drink from a variety of sources. I believe this should be recognised because it has a bearing on the damaging drinking levels and widespread associated violence that is a feature of contemporary life in Aboriginal communities.

We have seen rapid change in the past century. During periods of rapid change there are winners and there are losers. People in rural and regional Australia, where many indigenous people live, are more often than not the losers in this changed process. The new economy we hear talked about is more evident in Sydney and Melbourne than in Cape York Peninsula, the Burdekin or Mount Isa in western Queensland. This phenomenon, however, is not restricted to the regions. Increasingly, people in the outskirts of cities are also becoming disenfranchised.

In rural and regional Australia primary industries are still a major economic driver. Primary industries, however, have been in decline, for economic and ecological reasons, for many years. This decline has seen associated business and employment opportunities disappear. We have seen not only significant economic change, but also social change over the past century. The roles of men, women and children have changed significantly for many people. There has been rapid change for many people, especially in regional Australia. Many people from all age groups and all backgrounds have become confused about their roles as a part of this process. Many have turned to alcohol as a way of escaping the boredom or misery of their lives. This is truly a sad thing. If we want to maintain and continue to develop a humane and just society, we cannot afford to ignore these people. We need to look to solutions rather than seek to blame these people for their misfortunes.

I often feel that our society is flawed. It is producing such wealth for some and such poverty for others. We preach competition in the marketplace, and cooperation in families and communities. People and families, however, run the businesses that make up our market. There is a great paradox here that needs to be discussed. Communities must have a greater role in the decision making process. We cannot just keep leaving it to the market. We must keep asking ourselves fundamental questions about the way our society functions. This is particularly important for us, we who sit here as the nation’s representatives.

Real questions are starting to be asked about whether our current economic and social paradigms are good for our communities. I raise these issues because alcohol abuse and addiction cannot be addressed in isolation. Solutions must be holistic and community driven. Alcoholism, and the misuse of other drugs, is just one symptom of this economic malaise. Alcohol is increasingly becoming an escape, a way out for those who are disenfranchised in the community. It has become increasingly abused, leading to violence as well as to alcoholism and its associated health and social problems,
and this is the case in all of our communities. Alcohol and substantial abuse, therefore, cannot be considered in isolation. We need integrated approaches that provide long-term solutions for individuals and for communities.

The Commonwealth Department of Health and Aged Care submission to the Senate inquiry points out that alcohol is second only to tobacco as a cause of death or preventable hospitalisation. It estimates that in Australia each year there are approximately 4,000 alcohol related deaths and just under 100,000 hospitalisations. The cost to the community has been estimated at $4.5 billion. Yet in the submission from David Crosbie, CEO of Odyssey House in Victoria, to the Senate inquiry he estimates that the Commonwealth allocates less than $1 per person to prevent or reduce alcohol related harm.

Since the introduction of the National Drug Strategy in the mid-1980s, there have been significant changes in the way the broader community views alcohol consumption. When I was 18, driving while affected by alcohol was acceptable to people, especially people who lived in the bush. You were not a ‘bloody idiot’ back then. These achievements, however, have not flowed through to indigenous communities. Dr Peter d’Abbs from the Menzies School of Health Research, in his submission to the Senate inquiry, states:

With some notable exceptions, alcohol services and programs targeting indigenous Australians remain too few in number to be able to make a significant contribution to reducing the burden of alcohol related harm.

Where they do exist, he says, they are inadequately resourced in areas such as security of funding, staff training and development; they are not strongly based on evidence or best practice guidelines and they are rarely evaluated. These attributes are more marked in programs and services to address petrol sniffing and the use of kava. This is a clear call for a large proportion of the foundation’s funds to be directed towards combating alcohol abuse in indigenous communities.

I now want to spend some time discussing this issue. Firstly, I want to say that I believe in a safety net. I believe in the state’s responsibility to provide welfare. For a society to be just and humane, it must support and protect the most disadvantaged in the community. Statistics clearly show that indigenous people fall into this category. However, there seems to me to be an increasing mood in the community to blame the disadvantaged for their situation. ‘It’s your fault you don’t have a job.’ ‘It’s your fault you are dependent on welfare.’ In many instances, however, there are not the jobs; there are not the opportunities. In these situations, blame makes no contribution. Disadvantaged people need more compassion, not more denigration. Welfare, however, can be disempowering. It can take away from people their feeling of self-worth. Alcohol is an easy escape in this situation. Initially it can provide joy in a joyless life. Those using alcohol as an escape, however, quickly become dependent. Any happiness associated with escape quickly disappears and becomes craving. This is the situation for a vast number of people in indigenous communities.

I am hearing from Aboriginal leaders like Noel Pearson that alcoholism has become the cause rather than the symptom of problems in Aboriginal communities. These leaders are calling alcoholism an epidemic in their communities, an epidemic that needs to be directly targeted. A few weeks ago Bob McMullan, the shadow minister for Aboriginal and Torres Strait Islander affairs, and I met with Noel Pearson and people from the Cape York Partnerships program in Far North Queensland—a process supported by the Queensland Labor government. Tim Jaffer, the coordinator of Cape York Partnerships, also spoke with the Labor caucus’s government service delivery committee last week in Cairns.

Noel Pearson has outlined many of his ideas in an as yet unpublished paper entitled ‘Outline of a grog and drugs (and therefore violence) strategy’. I would like to touch on some of the things that Mr Pearson and Cape York Partnerships have identified as important. Firstly, there is recognition that alcohol is the problem. It is destroying Aboriginal communities on Cape York Peninsula. It is no longer affecting just young men; women
and older people who have never drunk before are becoming alcoholics. This is particularly disturbing. Alcohol abuse by indigenous men has been a problem for some time. In recent years, though, women and children—young children—are increasingly becoming involved. Sober role models in the community are disappearing.

Cape York Partnerships uses a holistic approach and sets out four strategies to address the problems facing Aboriginal people on Cape York Peninsula. The first strategy involves getting and holding onto good resource people. Whenever programs are developed and run, there is a need for good people to be involved—people with vision and skills, people who see opportunities and work with others to achieve them. We need to develop the capacity of people within indigenous communities. This involves building skills but also building people’s self-worth and understanding.

The second strategy recognises the need to change the welfare state. It is estimated that $150 million in welfare payments, including CDEP, enter Cape York Peninsula every year. I spoke earlier about the paradoxes in our current economic system and the role of competition in business while we preach cooperation and community when tackling social problems. Aboriginal people in many ways have a far more cooperative structure in their society than there is in the competitive society we all live in. Yet we in the broader community judge them within the context of our values. Indigenous people feel more of an obligation, a responsibility to each other, in particular to family members. We in the broader community need to respect these structures.

One’s feelings of obligation and responsibility, particularly for extended family, however, can be abused when alcohol becomes part of the culture. Alcoholics are addicts. They need alcohol and crave it. They will use any means possible to obtain it. Alcoholics can take advantage of people living in a culture in which people feel obliged to support each other. They demand money from non-drinkers to purchase drink and demand alcohol from kin who have it. You have a cycle whereby anybody with any money or alcohol is caught. The simple thing to do is join the whirlpool of alcoholism. To deny your kin brings ridicule and abuse, and often violence. This whirlpool is engulfing individuals and families, with whole communities now being sucked into this alcoholic haze.

Where you have large numbers in the community dependent on welfare, you have large amounts of money coming in small parcels directly to individuals. Incentives to save are difficult to develop when your income is small and barely covers necessities. When this income is fed into an alcohol-centric community and a sharing culture, it disappears very quickly, leaving many without money for food or basic necessities for the rest of the week or fortnight. The current welfare system is feeding the fire of alcoholism in many communities. We need welfare. Every society that seeks to call itself just and humane must have a safety net. I am not questioning the payment of welfare to indigenous people. However, people have suggested that we must look at better ways to provide these necessary funds for communities so that basic needs—not alcohol—are the priority. Making payments weekly rather than fortnightly has merit, and I understand is being trialled in central Australia. Cape York Partnerships is looking at ways to pool payments so that families can develop savings plans.

Often, indigenous councils are dependent on the incomes they receive from their canteens. They are dependent on revenue from alcohol to provide services to their communities. The Queensland Auditor-General found that canteen income totalled $3.6 million last year. Communities that decide to ban alcohol or restrict sales may need financial help to continue to deliver services until a new economy is developed. The third strategy of Cape York Partnerships stresses the need to develop a real economy on Cape York Peninsula. To do this, I believe we need to broaden our understanding of economic activity in the community. We need to recognise contributions that are difficult to value in the short term. We need to value our environment and recognise and reward good management. We need to support innovation
in education and in the delivery of training that assists indigenous people to achieve real jobs.

The final strategy is about better government. Governments need to find ways to deliver better services to all communities, particularly indigenous communities. Cape York Partnerships is currently experimenting with ‘negotiation tables’. These involve government sitting down with communities and developing programs in partnership. Programs to combat alcoholism in indigenous communities need to be developed and delivered by indigenous people, and they need to be owned by the community.

Many indigenous leaders are now of the view that alcohol has become such a problem that programs about sensible drinking will not work. Alcoholics cannot drink sensibly. These indigenous leaders believe many communities are going to have to ban alcohol for some period to get on top of the problem. However, as ATSIC points out in its submission to the inquiry, these are decisions that indigenous people need to make themselves.

I would now like to focus on the direct link between alcohol and domestic violence. Much domestic violence, particularly in indigenous communities, occurs as a direct result of alcohol abuse. I can therefore understand why the government’s focus is on alcohol. The alcohol problem, however, is not going to be solved quickly, so we need to develop ways of preventing violence. We need to do this parallel to solving the alcohol problem.

In conclusion, more than 20 per cent of funding should be directed towards programs in indigenous communities. I would like to see a figure of at least 20 per cent enshrined in the legislation. I hope that domestic violence will become enshrined in the legislation or, at least, in the constitution or business plan. You cannot deal with alcohol problems, particularly in indigenous communities, in isolation from domestic violence. My final advice is taken from ATSIC’s submission to the inquiry:

The success of any program in producing better health or harm reduction outcomes depends on the acceptance of that program by the community.

(Time expired)
tional alcohol strategy has been endorsed by the Ministerial Council on Drug Strategy, and there is a National School Drug Education Strategy. In my own state of Tasmania, the Department of Health and Human Services spends over $4.5 million per annum providing alcohol and drug withdrawal services throughout the state. The state Department of Education funds three curriculum officers to provide policy, professional development and resource support to all schools and commits $200,000 per annum for school drug education. In 1997, a state-community consultative review was conducted in Tasmania, which led to schools being directed to develop a school drug education policy and implementation plan in consultation with parents, students, staff and community representatives.

The money that is being spent on rehabilitation services, for example, is not sufficient. How many of us know of alcohol addicts? How many of us know of a person who has come to the conclusion at last that they have a problem, who has finally been prepared to admit that they need help, but who has met with the response, ‘No, there is a waiting list,’ when the phone call is made and who then cannot get into detox because there is a waiting list of two or three weeks? Once a person admits that they have a problem, the first step has been taken. Why should they wait? Why should they be put on a waiting list for three weeks? In that time you know as well as I do what happens.

It has been estimated that at least one per cent of the population—180,000 people—have a close family member with serious alcohol problems. The individuals who have this illness and their families bear a substantial social cost. When a family is faced with the task of coping with a family member who has a serious drinking problem, it is often very hard for them to know what to do. The person with the drinking problem is usually in denial and will not seek help for themselves. Professionals will not accept a person for help unless the person accepts help voluntarily. Also, the cost of this help can be very expensive, although some offer help on an ability to pay basis.

As you would know, Mr Acting Deputy President, Alcoholics Anonymous does very good work in the rehabilitation process. Alcoholics Anonymous is a fellowship of men and women who share their experience, strength and hope with each other so that they may solve their common problems and help others to recover from alcoholism. The only requirement for membership is a desire to stop drinking. There are no dues or fees for Alcoholics Anonymous membership. They are self-supporting through their own contributions. Alcoholics Anonymous is not allied with any sect, denomination, political party, organisation or institution. It does not wish to engage in any controversy and it neither endorses nor opposes any causes. Its primary purpose is to have the membership stay sober and to help other alcoholics achieve sobriety. There are Alcoholics Anonymous group meetings in all cities and in most towns throughout Australia.

Returning to what state, territory and the federal governments are doing, Mr David Crosbie, the CEO of Odyssey House Victoria, in a submission to the Senate committee in July 2001, said:

In the last five years, Commonwealth and State funding for alcohol research, prevention and treatment has been woefully inadequate, particularly when due consideration is given to the burden of disease and social problems associated with alcohol misuse. (Conservative estimates suggest that Commonwealth expenditure specifically allocated to treat, prevent or reduce alcohol related harm amounts to less than $1 per person per year ...)

Remember that alcohol abuse costs every man, woman and child in this country $250 a year. This bill is most welcome and it appears to have the support of the community and, indeed, of industry. According to the Australian Associated Brewers Inc.:

It is ... important to note that it was the AAB, which on behalf of beer drinkers, surveyed beer drinkers to establish what they wished to happen with the disputed beer excise. This research was conducted in January 2001, and it suggested strongly that beer drinkers believed that the excise should be placed in a trust administered by an independent, charitable foundation to fund causes such as alcohol related medical research.
There has been some concern expressed that the bill does not provide sufficient accountability to parliament. I have been listening to what has been said in the chamber, and I am aware of the points that were made in the Senate committee report. I will listen further to the various arguments put forward on this matter during the debate. The government appears to have chosen an unusual way of establishing the foundation compared with, say, the establishment of the Natural Heritage Trust. However, these are unusual circumstances. The government has collected this money and then realised that it should not have done so. The question is whether this money belongs to taxpayers or to beer drinkers. I believe the foundation is entitled to money derived from the interest on the $115 million, and at this stage—depending on the arguments one way or the other—I indicate my support for amendments which would give effect to this. If the government considers that it is not entitled to the $120 million, it must also accept that it is not entitled to keep the interest it derived from this money and that it should pass this on to the foundation.

I will speak briefly about the advertising of alcohol. According to the Department of Health and Aged Care, the misuse of alcohol is second only to the misuse of tobacco as a preventable cause of death and hospitalisation, as I mentioned before. We have seen the banning of tobacco advertising in Australia, but there appears to be very little restraining the advertising of alcohol—particularly of wines, which are far worse than beer when it comes to binding alcoholics. The costs of alcohol abuse are second only to the costs of tobacco use—or misuse—and, while cigarette advertising is banned, there is no similar ban for the advertising or sponsorship of alcohol. There have been studies done which have linked the advertising of alcohol to increases in drinking amongst young people. In 1998, the federal health minister launched an industry backed alcoholic beverages advertising code and complaints management system to ensure that advertising of liquor is not glamorised or inappropriately aimed at vulnerable people in the community. Dr Wooldridge said:

Alcohol advertising is a significant part of our daily lives in Australia.

He went on to say:
The alcohol industry spends over $70 million a year on advertising their products.

This was in 1998. He further said:
It is imperative that this advertising is used in a responsible manner which does not adversely impact on the community, particularly those more vulnerable to advertising such as children and young adults.

It is very encouraging to see the alcohol industry associations working together in this way to develop the Code and I will be monitoring advertising closely to ensure that the spirit of the Code is upheld so that all alcohol advertising is responsible and reflects community expectations. I would like to hear what the government think of the effect of the advertising code for alcohol. Give us an update. What effect is alcohol advertising having on people’s drinking habits? Is the government concerned about the increase in drinking by young people? The government is spending $5 million on a campaign to reduce consumption of alcohol by young people and yet it is allowing the alcohol industry to continue to spend of the order of $70 million a year on advertising and sponsorship, especially of sport.

Alcoholism is a disease. It is an illness. It enslaves people and their families. It pushes their families into poverty. Those who live with alcoholics—spouses and children—are enormously affected. Children are the forgotten people in this area. They need to be counselled as much as the alcoholic needs to be counselled. Where in this legislation is support going to be given to that area?

I asked questions in the estimates committee about this foundation and about rehabilitation. I asked whether the new funding would improve availability and access to rehabilitation services to avoid the waiting times for admission, which can contribute to a person with alcoholic problems continuing their addictive behaviours. There is an answer there, but I would like to see a little more elaboration on that. I hope that that might come forth during the committee stage of the debate.
We should not lose hope. In particular, the alcoholics and their families should not lose hope. One of the key steps of Alcoholics Anonymous is to understand that you cannot beat it alone but that you need to make the decision that there is a problem. That is the first step. Having made that decision, the second step is to seek help and to be constant in your resolve not to drink. Amongst the 12 steps of Alcoholics Anonymous is the understanding that you need to appeal to a higher being who will sustain you and deliver you from the slavery of addiction.

Senator CROSSIN (Northern Territory) (1.43 p.m.)—I rise to speak on the Alcohol Education and Rehabilitation Account Bill 2001. This bill establishes the Alcohol Education and Rehabilitation Account, which will disburse funding for education, rehabilitation and prevention of alcohol and other illicit substance abuse. Let me begin by providing some background to this bill, which stems from another couple of broken promises from this Prime Minister in the last 12 months or so. From 1 July last year, this government has collected an increased excise on beer and other alcoholic beverages. This came about because the government amended the manner in which excise was calculated, to give effect to its tax reform measures, particularly the replacement of the wholesale sales tax with the GST.

When the increase in beer prices was foreshadowed in May of last year, there was considerable media attention given to this issue. Certainly, in the Northern Territory it attracted a lot of comment from the Hoteliers Association, which was not at all happy with the decision. It was predicted that the price of draught beer could rise by up to 20c a glass, or nine per cent, whereas the Prime Minister, in his 1998 election campaign, had promised that the price of ordinary beer—and I will turn to the definition of ‘ordinary beer’ later—would rise by no more than 1.9c. Another promise from this Prime Minister that was followed by another broken promise 12 months later.

The government have consistently maintained that ‘ordinary beer’ meant package beer only, whereas the Labor Party have purported that it should be interpreted as also applying to draught beer. At that time, the Australian Labor Party signalled our opposition to the government’s proposed increase and foreshadowed a proposed amendment to the legislation introducing the excise amendments in the Senate. We now know that difficulty arose from the manner in which these excise duties were to be introduced and, without going into the technicalities of these, the proposals to amend the beer excise were finally introduced in June last year to commence on 1 July. This put hotel owners in a position of having to collect the excise, which they did, from 1 July last year, while knowing all the time that both Labor and the Democrats had signalled an intention to oppose the changes when the relevant excise tariff amendment bill would be debated in the Senate.

The brewers announced that they would pay the higher excise under protest, and major brewers, including Lion Nathan and Foster’s Brewing Group, signalled an intention to challenge the collection of the excise in the Federal Court. By January 2001, it was reported that major brewers had lodged statements of claim against the federal government seeking a return of the disputed beer excise and that they were working on plans either to refund the tax to drinkers—possibly through price reductions—or to give it to charities. In February, the brewing industry announced results of a survey that they had conducted in which 75 per cent of drinkers voted to put any excise refund towards alcohol related medical research or remedial programs or charities, rather than to lower the price of beer.

The Australian Associated Brewers then stated that it intended to use any refund from the government to establish the Beer Drinkers Foundation, which would be the biggest charitable foundation in the country, with well over $100 million to invest. On 3 April 2001, in the midst of the prolonged debate in the Senate over the Excise Tariff Amendment Bill (No. 1) 2001, the government announced it had reached another agreement with the Democrats to prospectively reduce the excise rate on draught beer to no more than a 1.9 per cent increase. The Democrats agreed to legislation that would validate the
excise collected on draught beer from 1 July 2000 to 3 April 2001 and to allocate most of the amount collected in excess of the new reduced excise rate to establish a new independent foundation, to be known as the Alcohol Education and Rehabilitation Foundation. The Alcohol and Other Drugs Council of Australia and the Australian Medical Association have welcomed the establishment of this foundation but are still calling for further commitment to an integrated strategy for the prevention and treatment of drug related problems, including alcohol, tobacco and illicit drugs.

It is no secret that problem drinking and the use of other licit drug substances, apart from the obvious health impacts on the user, are major causes of social and economic problems in Australia today. Sadly, these effects are seen all too often in my electorate of the Northern Territory. I want to take the opportunity this afternoon to spend some time considering the scope of the problem in the electorate of the Northern Territory. I want to take the opportunity this afternoon to spend some time considering the scope of the problem in the electorate of the Northern Territory and, along the way, hopefully dispel some of the myths and stereotypes about alcohol consumption in the Northern Territory. For example, many Australians believe that alcohol abuse is endemic throughout the Aboriginal community; but, in fact, in comparison with non-indigenous Australians, a far larger proportion of Aboriginal people abstain from alcohol. One of the reasons for this myth is that public intoxication is simply more visible where Aboriginal people are concerned.

One of the major cultural differences apparent to visitors to the Northern Territory is that Aboriginal Territorians drink in public spaces. For non-indigenous Territorians, such drinking is largely restricted to hotels, restaurants and homes. Consequently, a lot of drinking and subsequent intoxication in the non-indigenous community occurs in a lot more privacy, such as their homes. By contrast, Aboriginal Territorians frequently choose to drink in public places, such as parks and reserves. For this reason, intoxicated indigenous people are more visible more often than non-indigenous people, who tend to prefer to drink in the confines of their homes.

It is also a fact that among indigenous Australians those who do drink are more likely to do so in a harmful way, with binge drinking a common factor. On a national level, the proportion of consumers who drink at harmful levels is 13 per cent, while the level among Aboriginal drinkers is 68 per cent. This means that, according to standards for harmful drinking set by the National Health and Medical Research Council, the level of harmful drinking in the indigenous community is over five times more than that of all alcohol consumers. While addressing this level of harmful drinking seems a daunting task, we know that in the Northern Territory much good work has already been done. A wide range of strategies has been used to deal with alcohol issues, including important community based initiatives like the Thirsty Thursday initiative in Tennant Creek. In 1996, the licences of Tennant Creek hotels and takeaway outlets were amended to close these facilities on Thursdays and to prohibit the sale of wine casks larger than two litres. This initiative, which had the support of most of the Tennant Creek community, reduced the consumption of pure alcohol by almost 20 per cent and also reduced the level of alcohol related violence. This initiative also has important economic benefits for families of those who drink at harmful levels, with families able to buy food and clothing and to meet rent payments and other expenses when payday comes around.

It also must be recognised that a lot of good results came from the Northern Territory’s Living with Alcohol program. Through this program, the number of road deaths and injuries as well as alcohol related hospitalisations was substantially reduced through the introduction of a levy on all drinks with an alcohol content over three per cent. Over a five-year period, we saw the program reduce the level of harmful drinking in the Northern Territory by one-third. The program provided an additional $4 million a year into community programs and activities, with recipients including treatment and care facilities, sports and recreation clubs, schools and Aboriginal communities. But sadly, since the levy was dropped as a result of the successful High Court challenge to its valid-
ity by—and I cannot help but say this today—the now probably diminished CLP—that is, the Northern Territory government up until last Friday; but more on this later—this funding has not been replaced, and the fight against harmful alcohol use has suffered accordingly.

In this context, it is pertinent to examine the resourcing of sobering-up shelters, which have been put in place with the collaboration and support of local communities—an essential part of dealing with alcohol and related problems in the Territory. These shelters have been another important response to address the problem of alcohol abuse. It is well recognised that night patrols and sobering-up shelters are important harm minimisation strategies, and for this reason any diminution of their capacity or their funding is a cause for concern. Only this year I learned that, for the lack of $40,000, the Alice Springs sobering-up shelter was forced to close its doors for one day a week. This might sound insignificant until you understand the consequences of a 24-hour closure every week over a one-year period. In short, as a consequence of closing for a day per week, the number of people admitted to the sobering-up shelter dropped by 726 compared with the number for the equivalent period in the year previously. In the same period—that is, the 24-hour closure period over 10 months—the Alice Springs police made a total of 1,065 apprehensions without arrest. The Drug and Alcohol Services Association in Alice Springs estimates that in this same period almost 800 of these individuals would have been accommodated in the sobering-up shelter had it been open at the time.

There can be no question that we face significant challenges in addressing both the abuse of alcohol and other drugs and especially the social and economic impacts of it on those who are around people with a substance abuse problem. Neither can we deny that the magnitude of these impacts in relation to alcohol, petrol sniffing or the use of kava, as we have seen in the Northern Territory, is deeply felt by indigenous communities. For this reason, while I am pleased to see that there is some targeting of funds to Aboriginal programs, I am not happy about the framework of the way in which these funds have been allocated. The memorandum of understanding between the government and the Democrats merely talks about 20 per cent of the funds going to ‘projects targeting Aboriginal and Torres Strait Islander people’.

There are two other problems with the memorandum of understanding. Firstly, it commits the apportioning of expenditure only to the first of four years. This means that we could potentially see as little as $2 million of the first year’s $10 million being allocated to indigenous programs. The other issue is that the effectiveness of indigenous programs depends upon consultation with and the involvement of communities at all levels. While we in the Labor Party support the notion of using evidence based programs, it will be equally important to the success of any program that decisions about allocating funds take into account the unique circumstances—and they are indeed unique circumstances—of each community.

We welcome the inclusion in the foundation of members from the Northern Territory—two, if my memory serves me correctly. Local knowledge and experience are important. But we also believe that the foundation needs a local indigenous representative with contacts in relevant agencies, particularly agencies run by and for indigenous people. In the context of meaningful decision making about allocating funds to organisations in the Northern Territory, this is vital.

There are, of course, some concerns with the administrative arrangements of the foundation. Under this bill, we have set up an account before we know how it is going to be spent. A constitution is yet to be developed or approved for this foundation, and there is as yet no agreement between the department and the foundation on specifically how these funds will be spent.

My colleague Bob McMullan expressed his disappointment that the objects of the foundation did not include domestic violence. I would like to take this opportunity to advise the Senate why this is considered such a grave omission by those of us on this side of the chamber and, particularly, by those of
us who come from the Northern Territory and represent those constituents. In the period from June 1998 to June 1999, a total of 2,522 incidents of domestic violence were reported to 28 government and non-government agencies that collect data in the Northern Territory. Ninety-nine per cent of the victims of these reported incidents were female, and 42 per cent of these incidents involved children being exposed to the violence. The 1998-99 statistics tell us that 79 per cent of offenders were affected by alcohol or other drugs at the time of the incident. These figures demonstrate a very strong association between reported domestic violence, particularly against women in our community, and substance abuse. In fact, the association is even more striking when the offenders are distinguished by the language that they speak. For offenders whose main language is an indigenous Australian language, alcohol or other drugs are involved in 90 per cent of the reported family violence incidents.

The Senate should be aware that my colleague Mr McMullan, the shadow minister for Aboriginal and Torres Strait Islander affairs, has called for the bill before us to include funding for domestic violence programs. On the basis of the figures I have just presented, I hope that the government will understand how concerned people, particularly in the Northern Territory, are to ensure that domestic violence programs will be deemed eligible by the foundation when it considers applications for funding. It cannot be emphasised strongly enough that effective efforts to deal with substance abuse can potentially reap enormous social benefits for families affected by this. For example, children who suffer poverty and malnutrition because of the alcohol abuse of a parent suffer greatly reduced educational outcomes. Turning this around can significantly affect the future of these children.

In conclusion, I hope that the arrangements for the foundation that is established ensure that at least 20 per cent of the funding goes to Aboriginal programs, that these programs are not required to be alcohol or drug specific and that they can include family violence, and I hope that the foundation ensures community consultation and the involvement of Aboriginal people in determining where the money goes.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Child-care Funding

Senator HUTCHINS (2.00 p.m.)—Madam President, I am in a bit of difficulty at the moment. My question is to Senator Vanstone, the family and community services minister. I wonder where she might be.

Senator Abetz—It’s the first time you’ve worried about that.

Senator HUTCHINS—No, I am genuinely concerned.

Senator Hill—I will answer the question, Madam President.

Senator HUTCHINS—Here comes Senator Vanstone. My question is to Senator Vanstone, the Minister for Family and Community Services. Is the minister aware of a major report by the research consultancy group Labour Market Alternatives, released last week, which compares the effects in northern and western Sydney of the Howard government’s $850 million cuts to child-care funding? How does the minister respond to the report’s finding that between 1997 and 2000 an estimated 1,547 women in Western Sydney were forced out of work or prevented from seeking work as a direct result of the coalition’s cuts to child care? Isn’t this clear evidence that the Howard government’s child-care cuts have had the greatest impact on lower income families and increased the gap between rich and poor?

Senator VANSTONE—I thank the senator for the question. I was in fact looking forward to such a question from the opposition today. Yes, I am aware of the report. I have not seen it myself and, therefore, I have not read it all. I am also aware that there are some problems associated with the report. I am aware of the remarks that the New South Wales minister has made, or provided to Senator Evans, I think, who made a press release in relation to this matter. I just say, in relation to the New South Wales government, that between 1996-97 and 1999-2000 in real terms Commonwealth support has
dramatically increased in funding for preschools in this area, whereas expenditure by the New South Wales government in fact decreased by nine per cent. I thought it was a little unusual that Minister Lo Po would enter into that debate.

The report claims that five centres closed in the Fairfield-Liverpool area and none in lower north Sydney. It is actually completely misleading: it does not take account of centre openings and is only referring to closures in community based services. Between 1996 and 2000, more long day care centres opened than closed in both the Fairfield-Liverpool area and in lower north Sydney. The methodology has some problems that I think should be drawn to the senator’s attention. The survey was unrepresentative of the Fairfield-Liverpool and lower north Sydney areas. It was sent to 163 centres, with only one-third of them responding. It makes the claim that there is reduced labour force participation because of changes to child care. That is simply not proven—the participation statistics reported in the press are for all women in the labour force, not women with children under 12—and it does not, of course, take account of wider economic changes. There are, in fact, more people in the Fairfield-Liverpool area getting child assistance.

I think the important thing to go to though is the allegation that we have cut child care. Claims that the Commonwealth government have cut child care are worse than misleading: Expenditure is higher now than under Labor. We spent more than $4.3 billion in the last four years, over 30 per cent more in real terms than Labor in its last four years. They are the facts of the matter. We are spending more in real terms in our four years than the senator’s colleagues spent when they were in government. Real funding on child care is increasing. There are more families getting assistance and there are more children in child care as a consequence. This is the most female friendly government Australia has ever seen. I see people over on the other side smirking, because they do not like that idea, but the facts are that far from driving women back into the kitchen, which is what the senator’s colleagues said we wanted to do, there are now more women working, the unemployment rate for women is down, the participation rate for women is up and our contribution to child care has played a significant part in that.

**Senator HUTCHINS**—I ask a supplementary question, Madam President. It would appear to me that Senator Vanstone is blaming the messenger, but I would like to continue asking her to make some comments on the report. Is the minister also aware of the report’s finding that, whilst women’s labour market participation fell in Western Sydney between 1997 and 2000, the participation rate rose in northern Sydney? Is the minister aware that Labour Market Alternatives found that in the same period five long day care centres closed in the west and none in the north, even though you are blaming the messenger? Is this not more proof that this government’s policy of reducing access to quality child care has forced many women on low incomes out of the work force and forced the closure of child-care centres in Western Sydney?

**Senator VANSTONE**—I covered methodology problems in my first answer. I just draw your attention to that. It was sent to 163 centres, and only a third responded. I covered the comments about labour force participation in my first answer, but the senator does go back to the question of the report focusing on centres closing, and I noticed that the newspapers that were given this report have without question published those findings, without coming back to the government and saying, ‘Is that true?’ The simple facts are that between 1996 and 2000 more long day care centres opened than closed in both Fairfield-Liverpool and lower north Sydney.

**Economy: Policy**

**Senator BRANDIS** (2.06 p.m.)—My question without notice is directed to the Assistant Treasurer, Senator Kemp. Will he inform the Senate of new figures which confirm the benefits to the economy of the coalition government’s responsible economic management? Is the minister aware of any alternative approaches?
Senator KEMP—I thank Senator Brandis for his question. He is one of a number of very effective senators—particularly coalition senators, I might add—from Queensland. There is a great deal of good news around about the economy. This is good news for Australian workers, good news for Australian families, good news for business, but, judging by the faces on the opposition benches, it is bad news for the Labor Party. The Labor Party has made a habit of attempting to talk down the economy and, of course, the good news keeps rolling in. Last Friday, the ABS released the international merchandise trade figures for Australia’s trade in goods for the 2000-01 financial year. Last year, the merchandise trade balance was in surplus in the order of $1.3 billion.

Senator Cook interjecting—

Senator KEMP—I am advised that it is the first trade surplus in merchandise since 1993-94. Of course, Senator Cook would know that this has been driven by the strong growth in goods exports, which grew by almost 23 per cent in the year 2000-01. Let me again draw the Senate’s attention to the fact that the national accounts showed that in the March quarter the Australian economy grew by 1.1 per cent, making us the industrialised world’s fastest growing economy in the March quarter, and that is very good news.

Senator Sherry—That is not true.

Senator KEMP—Senator Sherry calls out, but the fact of the matter is that this is a high growth economy and Labor have been proven to be comprehensively wrong in their attempts to talk down the economy. Numerous surveys of business—such as those done by the National Australia Bank, the ACCI and Dun and Bradstreet—reveal that business expect that the economy will continue to improve. Just in the last week or so, the OECD delivered a glowing report of the management of this economy by the coalition government. All this is good news for Australia and is bad news for the Australian Labor Party.

Senator Brandis asked me about alternative policies. Let me remind Senator Brandis that Labor, when last in government, oversaw a record home loan mortgage rate in the order of 17 per cent and heading north, unemployment peaked at around 11 per cent and a record government debt in the order of $96 billion was chalked up following five budget deficits in a row. All that we can say is that you would think that the Labor Party would give some praise to an economy which is performing well and which reflects the very sound management of this government. The Labor Party has one policy on the economy, as far as we are able to ascertain, and that is the policy of roll-back. But no-one knows what roll-back means, no-one knows what roll-back will cost and no-one knows how roll-back will be financed. After five years, all we can see is that the Australian lazy party has failed to produce any coherent policies, and roll-back is the classic case. (Time expired)

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the chamber of a parliamentary delegation from the United States of America, led by Congressman Henry Hyde. On behalf of senators, I welcome you to the chamber and trust that your visit will be informative and enjoyable.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Welfare Entitlements

Senator CROSSIN (2.11 p.m.)—My question is to Senator Vanstone, the Minister for Family and Community Services. Is the minister aware that, according to the recent ACOSS report on breaching, 17,703 people received third activity test breaches between September 2000 and February 2001, which is a 160 per cent increase on the previous year? Can the minister confirm that these individuals receive no payment for eight weeks? Aren’t people less likely to find jobs and more likely to become homeless as a direct result of this breaching policy, perpetuating the poverty cycle that the minister has so often spoken of wanting to address?

Senator VANSTONE—I thank the senator for her question. It is another timely question which gives me the opportunity to make some points that need to be made. Regarding the question you raise in relation to
breaching, and in particular the ACOSS report, I simply say that there are some factual errors in the ACOSS report but none that I want to particularly highlight. I think the issue that they have raised is important. We do not deny at all that there has been an increase in breaching. We say that the previous government was lax in this area and simply did not do enough. We implemented some reforms that we believe have been a dramatic improvement in the policy of breaching. Those reforms basically come down to ‘three strikes and you are out’, as opposed to there being no staged process towards a breach. I think unemployed people are better off under this system where there is a staged process.

I also make the point that some surveys have been done to ascertain the support for breaching. It may interest you to note that there is significant support for the system amongst people who have been breached on the welfare system. So it is not just people outside the welfare system saying, ‘Yes, if the rules are broken, people should be breached,’ but people who have in fact been breached themselves also show a significant level of support for this process. The impression that some are trying to create is that Centrelink simply breaches people willy-nilly for almost anything, and that is not the case.

I attended my first Centrelink board meeting early this year and Sue Vardon, the chief executive officer of Centrelink, and I had a discussion about those people who are being breached who are at risk, about whom we would all be concerned. I am talking about people who perhaps have some sort of mental disability or who are homeless or who have some other particular problem. These people are not easy to handle for Centrelink, and I will give you some examples. If someone says that the letter did not arrive— and let us just assume that the letter did not arrive— and they are not on the phone they are not easy to contact.

An incident having occurred in the gallery—

Honourable senators interjecting—

The PRESIDENT—Order! The Senate will come to order!

Senator VANSTONE—Senator, just to continue on this issue, the question of when to breach someone who is a welfare recipient is not a new question. It is a question that welfare agencies around the world constantly have to deal with. The difference between your government when it was in power and this government is that we do want to make sure that those people who are entitled to welfare get every penny they are entitled to—but not a penny more. We also want to ensure that people live up to the commitments and expectations that are there. We think it is reasonable that someone keeps an appointment that has been made with Centrelink.

Senator, you need to understand, with great respect, that the people who most strongly are concerned about the welfare system are not the high income earners but the people who are on very low incomes, for whom the advantage of working over being on a benefit is not as substantial as it is, for example, for you. What they say to me is, ‘I work 37½ hours for my salary, and I think it is fair enough that you expect someone on welfare to do everything you ask them to do.’ If they have got good reason, they are not breached. Finally, people can of course have their breaching record wiped clean by going on Work for the Dole.

Senator CROSSIN—Madam President, that leads me to my supplementary question. I hope that that gentleman in the gallery was not one of your people who had in fact breached their third activity test. Isn’t the minister’s claim that people can access clean slate provisions if they start a Work for the Dole placement a deliberate mistruth, given that your department has admitted in the Senate estimates hearings that people have been refused clean slates because there are not enough Work for the Dole places in many regions?

Senator VANSTONE—I will have a look at the Senate estimates. There may be some areas where there should be more Work for the Dole, and I would hope that means that you will support an expansion of those places so that there are more places available. Work for the Dole has got very strong community support. There are some areas
where we would like to extend it, but that option is there.

Rural Transaction Centres

Senator CAL VERT (2.18 p.m.)—My question is to the Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald. Will the minister advise the Senate of recent government initiatives which will improve the access to banking and other services in rural and regional Australia? Is the minister aware of any alternative policy approaches?

Senator IAN MACDONALD—I thank Senator Calvert for that question and acknowledge again his ongoing interest in rural and regional Australia and things that happen there. I regret that neither Mr Beazley nor any of his frontbench in this place ever take any interest in rural and regional matters. I was delighted last Tuesday to announce a further roll-out of the Rural Transaction Centres Program. I went to a little town in country Australia in Central Queensland, Mount Larcom, to announce the rural transaction EPOS centre initiative, which will allow small post offices in country Australia to apply for assistance under the Rural Transaction Centres Program.

Senator Mackay—You stole our policy.

Senator IAN MACDONALD—We have identified 100 post offices in country Australia that do not currently have face-to-face banking facilities and those places will be invited to apply to the Rural Transaction Centres Program for the introduction of EPOS and giroPost activities. Those giroPost activities will allow for 70 banking outlets for BillPay, for ticketing applications and even for getting your passport through. In phase 2 of this roll-out there will be additional Australia Post agencies brought on line, subject to certain requirements.

Why Mount Larcom in Central Queensland for this roll-out? I will tell you why Mount Larcom: because it is typical of a small community in country Australia. About nine years ago that post office was given its marching orders by the then Labor government. They closed that post office down. They paid out the postal agency there, gave him a redundancy, and the post office was finished. Fortunately, the shire council itself took over the post office and has run that successfully since, despite the best attempts of the then Labor government to close that post office down. So that community are delighted now with this new facility.

I hear Senator Mackay calling out. I think she said that we have stolen their policy. If they have got a policy, then perhaps you could look at it, but we do not know any policy that they have.

Senator Conroy—500 RTCs you promised. You fraud!

The PRESIDENT—Order! Senator Conroy, I am not sure if you are thinking out loud or shouting across the chamber. Either way, it is too noisy.

Senator IAN MACDONALD—The actual fact of the matter is that it was not Senator Mackay who said we had stolen their policy; it was in fact Mr Stephen Smith, the opposition spokesman in this area. He had said that we had stolen the ALP policy. That was an interesting comment. But what did Senator Mackay say? Senator Mackay said, ‘It’s belated and a token extension.’ On the one hand, Mr Smith says that we have stolen their policy; on the other hand, Senator Mackay says that that policy we have stolen is belated and a token. Mr Beazley really needs to show some ticker, pull his frontbench into line and at least get them singing the same tune. In the Labor Party’s meanderings, as far as I can understand them, there really is not any policy. Labor policy was, I understand—if there was a policy—to fund a couple of post offices and run the last bank out of town. It does not matter what the community wants, it does not matter what the community needs, it does not matter about the banks that are there—just run them out of town. Since we have been involved in this, banking in country Australia has certainly improved. (Time expired)

Medicare: Bulk-Billing

Senator McLUCAS (2.23 p.m.)—My question is to Senator Vanstone, representing the Minister for Health and Aged Care. Is the minister aware that the most recent Medicare statistics show a further decline in the bulk-billing rate and that over three million fewer
services a year are being bulk-billed now than when the Howard government was elected? Don’t the same statistics also show that the average patient cost to see a GP has gone up 35 per cent, from $8.32 to $11.21? Don’t these statistics show that under a Howard government it has become more and more difficult to see a bulk-billing doctor and more and more expensive to see a doctor who doesn’t bulk-bill?

Senator VANSTONE—Senator, you asked me quite specifically about bulk-billing changes. I will take that part of your question on notice and ask Dr Wooldridge if he has got anything that he can tell you about that. I do not accept your allegations at face value, not because you look like an untrustworthy person—the allegations may be true—but because I simply do not have the information in front of me.

I would just take the opportunity to remind you of the changes that this government has made in health care, particularly our rescuing of the Medicare system by ensuring that it is no longer crushed by wealthy people who choose to go into the public system and lengthen the queues rather than take out private health insurance. We introduced a 30 per cent rebate, which your party at its conference first of all thought was only for the rich but then realised was possibly a good idea. That has in fact protected and strengthened the Medicare system, because people who can afford private health insurance are moving into it, which of course reduces the number that are using the national system.

We have also made significant changes in relation to hospital funding. I was reading about something like a 28 per cent real increase in money to the states and territories in comparison with the last year of the Medicare agreements that were negotiated by the previous Labor government. In addition to that of course—and something of which this government and Dr Wooldridge in particular can be especially proud—is the dramatic increase in immunisation of Australian children, something that your government let fall apart. I just mention those things generally. I know that your question was not specifically on them, but I thought that important issues like maintenance of the strength of Medicare, increased funding to the states and increased immunisation of children would be something you would also want to know about.

Senator McLUCAS—Madam President, I ask a supplementary question. Is the minister aware that the most recent Medicare statistics show a 30 per cent increase in the average patient cost for specialist medical services since the Howard government was elected? Isn’t it true that average patient charges have increased from $13 in 1996 to $17 in 2001? Aren’t these increases part of the Howard government’s policy of pushing more and more costs on to patients, just like in America?

Senator VANSTONE—I thank you for your question, Senator. I will take the details of that on notice, but if you want to pretend that there is an Americanisation of health policy in Australia you are simply going down the wrong track. When your party was in government the national health system was under enormous pressure because your party, for ideological reasons, refused to maintain choice and refused to help people into private health insurance. You were trying to socialise health and bring everybody down to the lowest common denominator. We have done quite the opposite, and Australians recognise that.

Charities: Sheppard Report

Senator CHERRY (2.27 p.m.)—My question is to the Assistant Treasurer and concerns the inquiry headed by Justice Sheppard into the legal definition of ‘charities’ that was established as a direct result of Democrat lobbying. Can the minister confirm that the report of the inquiry has been with the Treasurer for over a month? When will it be publicly released and will the charitable sector have an opportunity to respond to the inquiry’s conclusions before the government finalises its response? Is the government committed to updating the 400 year-old common law definition of ‘charities’ that dates back to Elizabeth I to cover the many organisations in our community doing excellent work that are currently excluded?
Senator KEMP—I thank Senator Cherry for that question. Senator Cherry, as an adviser to the then Leader of the Democrats in a previous manifestation, would know how important the changes were in the tax reform system. The government and, indeed, the Democrats were particularly conscious of making sure that charities benefited from these reforms. Senator Cherry drew our attention to the fact that there is an inquiry into the definition of ‘charities’ and related organisations. In relation to his question I can confirm that that inquiry has submitted its report to the government in line with the reporting date of 30 June. The government is now considering the report’s recommendations and how best to take them forward. So some of your thoughts on that, Senator, will undoubtedly be taken into account by the Treasurer. By way of background, the inquiry consulted widely throughout the charitable sector and related sectors during the preparation of its report. I am advised that the inquiry received over 370 written submissions. The inquiry also conducted consultations in Sydney, Melbourne, Brisbane, Perth and Canberra.

I remind the Senate that when the Prime Minister announced the inquiry last year he said that charitable, religious and community service not-for-profit organisations play a vital role in our community and are pivotal members of the social coalition. The government has recognised their importance in a range of policy areas, including the business and community partnership, illicit drugs policy, welfare reform and Job Network. It is also worth reminding the Senate that the Prime Minister emphasised in his address at the Community Business Partnership awards dinner in Canberra last year that the inquiry had no other goal than a simpler, clearer legal definition. Therefore, the inquiry did not seek submissions on, and was not required to provide advice on, the taxation or other legislative or administrative treatment of charities and related organisations. Senator Cherry drew our attention to the legal definition issues. The inquiry should give the government options for enhancing the clarity and consistency of the existing definitions. These should lead to legislative and administrative frameworks appropriate for Australia’s social and economic environment in the 21st century.

Senator CHERRY—Madam President, I ask a supplementary question. My predecessor, Senator Woodley, in his submission to the inquiry urged the adoption of a UK style charities commission to provide not just rulings but also training and assistance on how to run a charity. Is the government giving favourable consideration to this proposal? Will the government be funding ongoing training and advice for those who run charities, in light of the winding back of the ATO help for charities with the ending of GST implementation money, or is dealing with the tax system unassisted that extra hour a week something that the Treasurer wants people volunteering for?

Senator KEMP—Senator Cherry, above all, would know that tax reform was good for Australia, good for the Australian economy and good for charities. If it was not, Senator Cherry, you and your colleagues would not have supported it. You said that former Senator Woodley had made a submission to the inquiry. I would like you to know that the government always took the comments of former Senator Woodley seriously. Undoubtedly, the Treasurer will be fully aware of those comments. I indicate to you now, as I said in my earlier remarks, that the government is considering the report. It is now before the Treasurer.

Centrelink: Breaches

Senator GIBBS (2.32 p.m.)—My question is to Senator Vanstone, the Minister for Family and Community Services. Can the minister explain why the number of breaches of unemployed people has, according to ACOSS, risen by 189 per cent since 1998? Given the government has established breaching targets, otherwise known as quotas, in its business partnership contract with Centrelink, isn’t this increase in breach activity just about revenue raising?

Senator VANSTONE—I thank the senator for the question. Senator, your question is ill-founded. I think you are talking about the key performance indicators in the contracts between the employment services area and Centrelink. In fact, what that key perform-
formance indicator required was that 75 per cent of the breaches imposed be upheld in the final circumstance. What that turns out to be is a disincentive, if anything, for random breaching because, in order to achieve the key performance indicator, 75 per cent of what a person at the counter imposes needs to be finally upheld. So there is no space for any mistakes. It is a performance indicator to encourage only those breaches that will be upheld—to encourage only genuine, sensible breaching. It is an incentive for the person at the counter to listen carefully to what they are being told. Senator, I am afraid your question is ill-founded. That performance indicator should work in the reverse.

I was asked why there are more breaches. As I have indicated in answer to previous questions and on other occasions, this government is determined to be tough on people who do not live up to their part of the bargain. We are putting $1.7 billion more into welfare. We are investing it in the people to help them get a job. That is the best form of assistance you can possibly offer. We are going to be asking more in return. Taxpayers expect that. They are happy to give and to support people who are in need, and they also want the people who are receiving the benefits to comply with the requirements and they want them to be breached if they do not.

Senator Chris Evans—

Senator VANSTONE—The government of your persuasion was not very good at doing this. It was hopeless at doing it. We are very good at doing it and we will continue to do it.

Senator GIBBS—Madam President, I ask a supplementary question. In light of the minister’s answer, can the minister assure the Senate that the budget surplus is not built on a quota or target in the level of breaching activity undertaken by the government through Centrelink?

Senator VANSTONE—Yes.

Women: Maternity Leave

Senator HARRADINE (2.35 p.m.)—My question is to the Minister for Family and Community Services. I refer to recommenda-
female employees. It has been found that 23 per cent of private sector workplaces provide paid maternity leave and 13 per cent are involved in another way.

So the bottom line is that we believe that there should be choice in these matters. They can be negotiated under the more flexible industrial relations system we have introduced, which has been of tremendous benefit to Australian women. More of the increased number of full-time jobs—although not many—have gone to women. Significantly more jobs in the part-time sector have gone to women. As to the one aspect of your question to which I am unable to give you a direct answer, I will pass that on to the Attorney-General. He is responsible for the Human Rights and Equal Opportunity Commission. It is he who should give you an appropriate and detailed answer in relation to the question of a reference.

Senator HARRADINE—I ask a supplementary question, Madam President. I am aware of all the claims made by Senator Vanstone. That is one of the reasons why I raise this question. If you are a family friendly government, why do you not at least study the possible costs and benefits of maternity leave particularly to industry and small business and particularly in view of the serious fertility decline that Australia is faced with and the ageing population? Why do you not undertake that study? Is it your responsibility as minister to initiate that study or is it the Attorney-General’s? If so, I would be most grateful if you passed this question on to the Attorney-General.

Senator VANSTONE—Senator Harradine, I will speak to the Attorney about this matter and get any such further information as he is able to provide to you. Senator, you raise the very interesting question of the declining fertility rate in Australia. I know you do not directly and solely attribute that to maternity leave availability. I just invite you to consider, Senator, the additional component of rising material aspirations. Many people accept the view anecdotally that one of the reasons women, in particular, are choosing to have fewer children is that they want to be able to give their children more. Rather than four children, they choose to have two so that they can be confident that they can provide their children with everything they want to give them. They want to do for their children what their parents did, and that is give them more than their parents had themselves. Senator, you may not approve of that view—you may not even endorse it—but I happen to think that it is in play.

Work for the Dole Program

Senator JACINTA COLLINS (2.42 p.m.)—My question is to Senator Alston, representing the Minister for Employment, Workplace Relations and Small Business. What is the total cost of the Work for the Dole advertising campaign that began last night? Is the media placement budget still $4.5 million or has it blown out beyond this figure already? Given the complex production standards, how much did the ads themselves cost to produce? Were the people featured in these ads real participants in Work for the Dole programs or were they actors?

Senator ALSTON—I do not have the answers to those questions because they are essentially matters of detail, but they do throw great light on the approach the Labor Party take to the fundamental issues facing Australia. What they are doing is trying to pretend that somehow they can change the subject, that the public will understand that they are concerned about perhaps protecting taxpayers’ interests or trying to reduce the cost. What they are really signalling is that they are fundamentally opposed to Work for the Dole but they will not come out and say so.

This is the heart of the problem you have got with that bloke who has been leading you now for five long, hard years. He just will not take a stand. It is very unfortunate. Make up your mind. Are you in favour of it or aren’t you? If you are in favour of it, get out there and barrack for it and explain the virtues of it. If you are not, have the courage to tell us why it is not a good idea. But the tragedy is that it is a bit like last week when there he was, hiding under the desk trembling because he had read a public opinion poll. He had to ring up Bob McMullan and send him out for a bit of a gallop. He was not prepared to stand up—
Senator Faulkner—Madam President, I take a point of order. It is a point of order on relevance. Given that the minister has admitted in the first 10 or 20 seconds of his answer that he has not got a clue about the answer to the question, would it not be more appropriate for him to take it on notice and not rave on and answer a question that was not asked or simply just rave in the way he has been doing before the Senate? He cannot have it both ways. If he does not know, he should take it on notice and sit down.

The PRESIDENT—It is for the minister to determine whether he takes the question on notice, but any comments he makes in relation to it must be relevant to that which was asked of him.

Senator ALSTON—Thank you, Madam President, for that ruling. The point of order demonstrates, first, that Senator Faulkner is terrified of any discussion that shows that Mr Beazley is a pussy cat and, second, that the Labor Party does not have the courage to say where it really stands on Work for the Dole. The question that you got Senator Collins to ask was all about Work for the Dole. That is what I am talking about—Work for the Dole, which is a very good program that actually provides incentives and that actually provides opportunities for people, particularly young people, to acquire the skills they need to get into the workplace.

Of course, that is fundamentally opposed to the interests of the outfit that own you lock, stock and barrel. The last thing they want is people out there actually competing in the marketplace. They want them to be begging for mercy from the trade union movement. They want to be able to know that they will get higher and higher welfare benefits. They are not interested in you running the line that you are in favour of Work for the Dole, even though you know it is the right thing to do.

What you do is ask these silly marginal questions about process and about costs. Are they real people? How much will it cost? What was the media placement budget? This is all very trivial nonsense in the scheme of things. You are three or four months out from an election and you do not even have the courage to ask about the real policy issue relating to Work for the Dole. Instead, you prefer to ask little questions here and there which allow you to avoid facing up to the issue. That has been your problem for five years. The Australian public has no idea where you stand on the big issues. If there is one thing the Australian public are united on, it is that Mr Beazley is a real dud. If you keep going down this path, you will simply confirm that feeling.

Senator JACINTA COLLINS—Madam President, I have a supplementary question for the minister. My question was in relation to the wasteful propaganda program of this government for the Work for the Dole program. Some $4.5 million is not trivial to someone, for example, who has been breached. But there are some general questions the minister may be able to help with. Why is the government spending money on advertising in the mass media the benefits of a mere 50,000 person a year program which it is compulsory for people to attend? Why advertise it? It is compulsory. Isn’t this one of the worst examples of the Howard government’s wasteful propaganda, chewing through taxpayers’ dollars which would be better spent on improving services?

Senator ALSTON—It is not compulsory; it is a matter of choice. The sheer hypocrisy of this little line is that $4½ million can buy you a number of breaches. How much more could the $36 million that you have ripped off taxpayers through Centenary House do? Why don’t you have the decency to get up and give it back? Then we would have a serious debate about whether we are wasting taxpayers’ funds and whether we should be providing people with information. A lot more of them want to know about the options for Work for the Dole. They want to know about improving their life experiences and their employment skills. They certainly will not get any help from you, and they know it.

Coastal Surveillance

Senator COONAN (2.48 p.m.)—My question is to the Minister for Justice and Customs, Senator Ellison. Will the minister advise the Senate how the Howard government’s record of investing in the Australian Customs Service and Coastwatch is contrib-
uring to the safety and security of Australia’s border? Is the minister aware of any alternative policies, and what would be their impact if implemented?

Senator ELLISON—I thank Senator Coonan for what is a very good question and one which all Australians regard as very important. Coastwatch is doing an excellent job looking out for the 37 kilometres of Australian coastline. You have seen that in the evidence on the interception of illegal boat people—

Senator Faulkner—We have a major geographical problem here.

Senator Chris Evans—That’s about all you cover.

Senator George Campbell—What about the rest?

The PRESIDENT—Order! There is too much noise. Senators on my left will come to order so question time can proceed.

Senator ELLISON—What is on my mind is the $36 million that the opposition is costing the Australian taxpayer in relation to Centenary House. I am afraid I just cannot get off that when I am thinking about the money that we need for Australian Coastwatch. We have an excellent Coastwatch. We funded $124 million as a result of the Prime Minister’s coastal surveillance task force and also $58 million for eight new Customs vessels. That is unprecedented funding in relation to Coastwatch, which the previous government ignored.

We have seen the interception rate in relation to illegal boat people soar from 78 to 96 per cent in the last financial year. That is what we have seen come about as a result of the funding of the Howard government for Coastwatch. It is very important that we have a strong Coastwatch, working with the Navy and the Air Force in looking out for Australia.

Senator Coonan asked about alternative policies. The Leader of the Opposition, Mr Beazley, is talking about a coastguard. He said, ‘Why don’t they get real and put in a coastguard?’ This is the same man who in 1984 said that the coastguard would cost $2 billion. Yet when he is asked now, he says it would cost $220 million. Of course, that is not what his fellow shadow ministers are saying. The shadow industry spokesman, Mr McMullan, is talking about 15 specialist vessels for this so-called coastguard. Mr Kerr, the shadow minister for customs, is talking about 12 high-speed specialist vessels. And Mr O’Connor, the shadow spokesman on fisheries, is talking about specialist vessels. They are all having a go. When you cost it, those vessels come to $850 million—not $220 million, as the Leader of the Opposition is saying, but $850 million. What do they want? Is it $220 million, is it $850 million or is it the $2 billion that back in 1984 Mr Beazley said was the reason for not having a coastguard—because it would not be cost-effective and it would be inefficient.

What you are getting from the opposition is a cheap stunt. This will be a $220 million name change. They will simply scrub out ‘Customs’ and paint ‘Coastguard’. Where will the money come from for this so-called coastguard? It will not result in the interception of one more vessel, one more drug dealer or one more illegal fisherman, but this money will come from other law enforcement agencies and will greatly diminish the good work that organisations like the Australian Federal Police and Customs are doing.

If you look at the record of this government it shows that the interception rate was, as I said, 96 per cent last year. It rose from 78 per cent when the Prime Minister announced the extra funding of $124 million. We need a good Coastwatch, and we have one—one that is working with the Navy and the Air Force, using Air Force surveillance PC3 aircraft and using Fremantle class patrol boats, to look out for Australia. We have a job before us of looking out for Australia, but let us not be misled by the opposition’s claims and stunts. (Time expired)

Education: Tertiary

Senator CARR (2.53 p.m.)—My question without notice is to Senator Ellison, the Minister representing the Minister for Education, Training and Youth Affairs. How does the minister respond to the concerns of vice-chancellors from many of Australia’s leading universities who have recently claimed that Australia’s tertiary education...
system is in crisis as a result of this government's inequitable funding policies? Does he support the senior officer of the Department of Education, Training and Youth Affairs who told the Senate inquiry in higher education that this was:

... an interesting thesis, but there is probably an inverse relationship between those that make that allegation and their management competence.

Does he agree that those senior vice-chancellors are incompetent managers who are:

... looking for an easy way out rather than fronting up to their management responsibilities.

**Senator ELLISON**—This government has said repeatedly that it has a high regard for the vice-chancellors around this country and also a high regard for the standards which have been attributed to our universities. It is an international fact that we in this country are acclaimed widely for our tertiary education sector. The opposition are trying to beat up a negative claim that the universities are in crisis, overstating and scaremongering in relation to a sector which is doing a very good job.

The total funding available to Australia's tertiary sector today is $9.5 billion—the highest level of funding ever available to our tertiary sector. That is nearly $1 billion more than the universities had available back in 1996, which was Labor's last year in power. Under this government, the money available to the tertiary education sector has risen by nearly $1 billion. This government has provided universities with significantly increased flexibility to raise revenue from non-Commonwealth sources. It also provides supplementary funding for HECS liable undergraduate student places offered above the number of fully subsidised Commonwealth places.

This government also provided additional funding in the year 2000-01 for salary supplementation. That is a very important funding initiative of this government for the tertiary education sector. The Commonwealth, through the Department of Education, Training and Youth Affairs and other agencies, will provide over $6.1 billion for higher education in 2001. Between 2001 and 2003 this will grow by over $256 million, or 4.4 per cent. Those figures are very good news for the tertiary education sector. We are talking about increased funding available for that sector. This is not a sector in crisis. The opposition would have Australians believe that their tertiary education sector is in crisis. It is not.

This government has great faith in the universities of this country and in the vice-chancellors who run them. There is record funding available for the tertiary education sector, and that is shown in our high standards and by the international recognition that we have in that sector. That is why so many students come from overseas to study in Australia—because of the high standards we have here. That is not an educational sector in crisis; it is one which is robust, strong and widely recognised overseas.

**Senator CARR**—Madam President, I ask a supplementary question. Is the minister aware that the Vice-Chancellor of the Australian National University, Professor Ian Chubb, has described the problems now facing universities in these terms:

... when you get emails from students asking you about tutorials of 32:1 every second week, when you get lecture classes of 400-plus, when you get practical classes every other week, when your infrastructure is eroding and when you see all your equipment and your capacity to provide the resources you need for the staff to do the work that they want to be able to do slowly but surely degrading, then that does not make me—or a majority of my colleagues—very happy at all.

In light of the overwhelming evidence, how can the Howard government maintain the pretence that there is no crisis in Australian universities?

**Senator ELLISON**—It is well known that we have autonomy in our universities, and so we should. The opposition would not criticise that, and nor would we. How a particular vice-chancellor runs his or her university is up to them. We have provided universities with an excellent environment with record funding available—an increase of nearly $1 billion since 1996, when Labor was last in power. Of course, we have autonomy in relation to universities, and that is the way it has operated for years. But we have provided the universities of this country with
a funding environment that enables them to
get on and do the important job that they
have to do.

Overseas Aid: Papua New Guinea

Senator ALLISON (2.58 p.m.)—My
question is to the minister representing the
Minister for Foreign Affairs. Is the minister
aware that people living on a group of atolls
north-east of Papua New Guinea are facing
starvation because of rising sea levels? Sea-
water has already washed away the centre of
one island, and another island has been re-
duced in width from 200 to 80 metres. Will
the government be assisting these victims of
global warming with food aid?

Senator HILL—From memory, we al-
ready provide PNG with over $300 million
of foreign aid. If further assistance were
needed, an application would be made and it
would be assessed on its merits. If the hon-
ourable senator is suggesting in some way
that the sea level rise is a result of some
Australian government policy, I would re-
mind her that Australia’s contribution to
global warming is about 1½ per cent and,
therefore, our contribution would be insig-
nificant in terms of any sea level rising.

That does not mean that Australia should
not accept its fair share of responsibility in
addressing the issue of global warming, and
the Australian government is doing just that.
We have accepted our target under the Kyoto
protocol. We are seeking to achieve that tar-
goal with a $1 billion domestic program
which addresses practically every sector
within the Australian economy that contrib-
utes to greenhouse gases, and we are making
worthwhile progress. I remind the honour-
able senator that in the last year of reporting,
for the year 1999—

Senator Bolkus—Emissions went up!

Senator HILL—I am about to tell you, Senator Bolkus. Economic growth went up
by over five per cent and emissions went up
by just over one per cent. So we are starting
to succeed in meeting the challenge of de-
coupling economic growth from emissions
growth. We make no apology for the fact that
we wish to continue to encourage and sup-
port economic growth in this country. We
want to provide jobs and wealth and all the

benefits that flow from that, but we also want
to do it in a sustainable way. Thus, we will
continue to seek dual objectives: those that
lead to strong economic growth and, at the
same time, those that lead to sound environ-
mental outcomes. We are doing so domesti-
cally in relation to greenhouse policy. We are
contributing sensibly and rationally to a bet-
ter international framework for greenhouse
reductions, and we will continue along that
path.

Senator ALLISON—Madam President, I
ask a supplementary question. Minister, isn’t
it the case that, even though we contribute
1.5 per cent of global emissions, ours are still
the highest per capita emissions in the
world? Is it the case that the Prime Minister
did not attend the Pacific Forum last month
to avoid criticism of Australia by our Pacific
island neighbours for not doing enough on
 greenhouse emissions?

Senator HILL—We do not have the
highest per capita emissions in the world, but
we do have very high per capita emissions
because we have built our economy around
our natural resource advantages. That has
been our competitive advantage in terms of
growing our economy. Not surprisingly, we
have therefore developed a capital intensive
economy. Provided that we are engaging in
such industry in the most energy efficient
way possible, I make no apology for that.
Somebody has to provide the energy, some-
body has to provide the food and somebody
has to provide the basic minerals upon which
the international economies can grow. The
question is: are we doing it in an energy effi-
cient way and in an ecologically sustainable
way? All of our policies are designed to en-
sure that that is the outcome. I, for one, think
Australia is doing a pretty good job in that
regard. Madam President, I ask that further
questions be placed on the Notice Paper.

ANSWERS TO QUESTIONS WITHOUT
NOTICE

Veterans: Delays in Processing of Claims

Senator MINCHIN (South Australia—
Minister for Industry, Science and
Resources) (3.02 p.m.)— Senator Schacht
asked me a question in the last sitting week
about letters being sent from the Department
of Veterans’ Affairs. I seek leave to incorporate a response in *Hansard*.

Leave granted.

_The answer read as follows—_

SENATOR SCHACHT asked the Minister representing the Minister for Veterans’ Affairs on 9 August 2001.

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?

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

In any claims processing system there is a time-lag between receipt of a claim and its finalisation. This is influenced by a number of factors including the priority allocated to the claim, fluctuations in workload, the complexity and completeness of the information supplied and whether there is a need to seek further information to enable the claim to be determined.

In recognition of these factors, all State Offices of the Department of Veterans’ Affairs (DVA) send letters letting veterans and their families know that compensation claims processing can be a lengthy and complex process, and that to ensure fairness, priorities are set in order of need. DVA has a service charter that sets out a time within which it is expected that claims will be completed and meets this standard for the majority of its claims.

The wording quoted by Senator Schacht is in the letter sent by the Western Australia State Office since 1998 as its standard response to compensation claims. It has been used for all cases except cancer or death claims, which are elevated in priority. The letter was introduced at a time when there was a significant backlog of claims in the office. However, the average time taken by the Western Australia State Office to process compensation claims for 2000/2001 is only one day over the national service standard and the letter will no longer be used.

**ANSWERS TO QUESTIONS ON NOTICE**

**Questions Nos 2587 to 2590**

SENATOR FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.03 p.m.)—I raise a matter under the provisions of standing order 74(5). I direct to the Leader of the Government in the Senate the matter of why I have not received answers to questions on notice Nos 2587 to 2590. They were asked of the Prime Minister on 24 July 2000. They are now 362 days overdue, so I ask the Leader of the Government in the Senate for an explanation.

**Senator HILL** (South Australia—Leader of the Government in the Senate) (3.03 p.m.)—But for the risk of sounding disrespectful to the Senate, I would say that the Prime Minister has been engaged in other matters over the course of the last year. With regard to these questions having now been outstanding for some period of time, I have reminded the Prime Minister’s office of that fact and I hope that that prompt will lead to a response in the not too distant future.

**Senator FAULKNER** (New South Wales—Leader of the Opposition in the Senate) (3.04 p.m.)—I move:

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

I suppose I should be grateful that the minister did not try to provide a serious answer to what is an important issue because there can be no excuse for what has occurred in relation to these questions. I would, however, place on the record that these particular questions have been drawn to the attention of Senator Hill and the government quite regularly, as has the general issue of unanswered questions on notice. These questions were placed on the Senate *Notice Paper* some 13 months ago, as I mentioned. In fact, I was being too generous when I said 362 days ago. I have just added it up again and I think it was 392 days ago. You have to ask, Madam President, what is so special about these questions that they have been left for over a year unanswered and why the Prime Minister is so reticent to provide any answer at all.

You may be aware, Madam President, that these questions are listed on the *Notice Paper* under the headings ‘Administration: Kirribilli House’ and ‘The Lodge: Renovations, Restorations and Repairs’. I suspect that that really does go to the nub of the matter because we have touched on, in these questions, some issues that are apparently sensitive to the government and to the Prime Minister. They go to trying to establish how profligate the Prime Minister may have been.
in relation to his own comforts and the excesses of the refurbishment process undertaken at Kirribilli House, in particular, while Mr Howard has been the Prime Minister. Truthful and accurate answers to these questions would elicit full details on just how much has been spent over the past five years on moving a staircase and building another one at Kirribilli just to keep staff separated. We would also know the full glory of exactly how much money was spent on knocking out a wall of the dining room at Kirribilli simply to accommodate a large antique 20-seat dining table and the horsehair covered chairs that go with it, some of which were made to go with it.

We would also know the full cost of the period refurbishment of the reception rooms at the Lodge, which is a prime ministerial residence that, as you would be aware, Madam President, is rarely used by the Prime Minister because he prefers the Sydney residence, Kirribilli House. If these questions were answered, we could get information in a format that would allow us to directly compare the costs for these particular residences under Mr Howard with the costs when Mr Keating was Prime Minister. If these questions were answered, we would have comprehensive figures that would allow an ‘apples with apples’ comparison. That is what we are after in relation to this matter. That is what the Prime Minister and the government do not want to provide. I think that is because these questions would simply show up the current Prime Minister’s excesses in this area.

You would be aware, Madam President, that the current Prime Minister has attempted to make political mileage out of comparisons between himself and his predecessor. He has done so on specific costs for Kirribilli House and the Lodge, but it has always been on the basis of what I would describe as ‘apples and oranges’ comparisons. That is why these questions are so important. The Prime Minister—or those that prepare the answers to questions that have been asked—has always chosen the cost figures that have been used, and we all know how statistics and figures can be manipulated if you are selective about the figures that are included.

There are a number of questions on notice from estimates committees dealing with aspects related to the costs of Kirribilli House and the Lodge, which have been asked by both Senator Ray and me. We have been seeking answers regarding those issues for some considerable time, dating back again well over a year. Again, we have got a situation where these answers are held up. I suspect it is for the same reason. To say they are being held up is generous. I think it is more likely that it is a cover-up of details of excessive expenditure—and this is of taxpayers’ money of course—by the Prime Minister on these official residences.

We cannot have these answers in over a year, but this is at the same time that the Prime Minister’s department found time to write an extraordinary defence of the Prime Minister’s spending as a devoted chapter in last year’s departmental annual report—six pages, which somehow failed to mention at all a cabinet decision that Kirribilli House was to be used primarily for guest-of-government purposes. All the time in the world can go to preparing a chapter in the Prime Minister’s department’s annual report, but you cannot answer these questions. We have got to ask again why so much time and effort was spent on that defensive chapter in an annual report and there is no inclination to answer questions on notice that have been around now for over a year.

This is a growing pattern. Senator O’Brien drew attention in the last sitting week to questions that he has asked and, because time is short before the election, it is the opposition’s intention to draw attention to these matters if they arise. This is the same Prime Minister who was so sanctimonious for so long about raising the standards of parliament. All that self-righteous indignation about parliamentary accountability is proven to be nothing when the government finds itself in office. We have got questions on notice left on the Notice Paper for almost 400 days, simply because accurate answers would embarrass both the Prime Minister and the government.

We do, of course, have the opportunity in the Senate to address these issues and I am taking advantage of that opportunity under
the provisions of the Senate standing orders now to address the issue of the absolute lack of standards in parliamentary accountability that have been followed by this government. I have heard Senator Hill’s pathetic explanation—I am trying to be generous here—in trying to defend the indefensible. I would remind Senator Hill of his own words when I raised these grossly overdue questions on the costs of Kirribilli House and the Lodge during estimates committee hearings earlier this year. Senator Hill at that time said that these questions had remained unanswered for an unacceptably long time and he generously accepted personal responsibility for following the answers up with the Prime Minister’s office. I do not really know who to blame, Madam President—Senator Chris Evans—he has the same success rate in cabinet, I understand.

Senator FAULKNER—I know that he is not flavour of the month around there with the Prime Minister and his office but, given that he wanted to accept personal responsibility, as far as I am concerned he can have it. What action have we seen since that generous offer from Senator Hill on 28 May? Nothing, of course. Absolutely nothing has occurred and, as I say, it is probably an indication of the level of influence that Senator Hill has with the Prime Minister’s office. But Senator Hill would be aware that comparisons are drawn on these matters between Mr Howard’s performance and that of his predecessor, Mr Keating.

I will conclude my remarks so as not to delay the Senate any longer on this important matter. I remind Senator Hill that, if he would care to check the parliamentary debates database, he will find these words that he himself uttered on 9 May 1995. Senator Hill said:

If this Senate is going to have any authority at all and if there is ever going to be any executive responsibility to the parliament, this Senate has to enforce its provisions. It has to require the minister to answer questions. There is no point at all in having a process for putting questions on notice if the minister is simply going to refuse to answer them.... One suspects, of course, that he does not want to answer these questions until after the next election. One, therefore, has to ask the question: what is the government seeking to hide in this matter?

Rule out Senator Hill, replace Senator Hill’s name with mine, update those comments from 9 May 1995 to 20 August 2001, and I think I would be comfortable making the same comment. More importantly, when these words are drawn to Senator Hill’s attention, I hope he will take heed of those sentiments, I hope he will take heed of those words, and I hope he will seriously now undertake—not like the commitment that was given in May this year—a real commitment to provide the Senate with answers to important questions that have not been provided in over a year.

Senator HILL (South Australia—Minister for the Environment and Heritage) (3.16 p.m.)—Perhaps I did not take the issue seriously and perhaps that relates to the fact that Senator Faulkner asks many petty questions relating to expenditure of the Prime Minister’s department in relation to official residences. I have had to sit through literally hours of these questions in estimates committees about nonsense about additional costs relating to the relocation of the staircase, which was primarily done for safety reasons, about how many bottles of wine are being served to official guests, from which state those wines originate, what the cost of each bottle was and whether advice was sought on the cost of each bottle and the like. With that background, it is not surprising that the Prime Minister has put other matters ahead of this in priority.

If, on the other hand, I was to take the matter seriously, perhaps I would have to accuse Senator Faulkner of double standards. When Mr Keating was in the Lodge and questions of a similar nature were asked of him, what was his response? He was not prepared to provide that information. For example, when he was asked about expenditure on two Austral Ezyhide Extend-A-Lines that were installed with a specially fabricated steel support frame, his answer to the question on notice was:

I am not prepared to authorise the expenditure of resources and effort that would be involved in extracting the considerable detail requested by the honourable member.
When Mr Keating was asked similar questions relating to the extra expenditure on new clothes lines at the Lodge which were totally unnecessary—we all know he was a very interventionist Prime Minister—he was not prepared to authorise the effort to provide such an answer. It is tit for tat, but I am not prepared to come in here and say that Senator Faulkner is not entitled to an answer to the questions. What I have said is that, in the order of priority, it is reasonable for the Prime Minister to have put other matters first. Nevertheless, I will refer the matter again to his office in view of the fact that it is causing Senator Faulkner such serious anxiety, and we will see what the response is.

Question resolved in the affirmative.

RADIOACTIVE WASTE

Senator HILL (South Australia—Minister for the Environment and Heritage) (3.19 p.m.)—I have an answer to a question from Senator Brown that I took on notice in a recent debate on 6 August this year. I know that the Senate likes to get these responses as quickly as possible. I seek leave to incorporate the answer in the Hansard.

Leave granted.

The response read as follows—

The Government is progressing plans for the safe and responsible management of Australia’s radioactive waste, which addresses the recommendations relating to waste management arising from the EIS into the replacement research reactor.

The Government is in the process of establishing a national radioactive waste repository for disposal of Australia’s low level and short-lived intermediate radioactive waste, including that arising from the existing HIFAR reactor, and from the replacement research reactor.

A preferred site and two alternatives in central-north South Australia are currently undergoing environmental assessment under the Environment Protection Biodiversity Conservation Act 1999. The draft EIS is expected to be completed in early 2002.

The Government has decided that the most appropriate way to manage the long-lived intermediate level waste arising from reprocessing of spent fuel from the existing HIFAR reactor and replacement research reactor is to house it in a purpose-built above-ground storage facility.


In February, 2001, Senator Minchin announced that the Commonwealth would establish a purpose-built store on Commonwealth land for the storage of national intermediate level radioactive waste produced by Commonwealth agencies, including waste produced by the Australian Nuclear Science and Technology Organisation (ANSTO).

The siting process for the store is progressing and involves:

- Development of selection criteria that would be used to identify potentially suitable sites
- Identification of potentially suitable sites
- Public comment at various stages of the process.

An expert committee, the National Store Advisory Committee (NSAC), is advising on the siting process.

A discussion paper on the method which will be used to identify a suitable site “Safe Storage of Radioactive Waste - the National Store Project: Methods for Choosing the Right Site” was released for public comment in July 2001.

In February 2001, Senator Minchin ruled out co-location of the store for intermediate level waste with the repository for low level waste in order to avoid any suggestion that the two processes are not completely separate.

The earliest a site for the national store could be identified would be late 2002.

Waste arising from the conditioning of spent fuel from HIFAR will arrive back in Australia in 2015, and waste arising from the conditioning of spent fuel from the replacement research reactor will be returned to Australia after 2025.

The waste will be returned to Australia in a form suitable for storage in the national store.

The national store will be designed to operate for a period of up to at least fifty years until a suitable geological repository deep underground is established for the disposal of Australia’s intermediate level waste.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Centrelink: Breaches

Senator CHRIS EVANS (Western Australia) (3.19 p.m.)—I move:
That the Senate take note of the answers given by the Minister for Family and Community Services (Senator Vanstone) to questions without notice asked today.

I think it is important to highlight the double standards applied by the minister. It was interesting that the minister was about three minutes late for question time today. She has been late before. I understand that sometimes ministers get held up. That is perfectly natural. But let us, for argument’s sake, say that this was the third occasion on which she was late for question time. On the same basis that she applies to unemployed persons—people who are on Jobstart—in this country, she would be fined $24,000 today for her failure to attend question time on time. That is the third occasion, for argument’s sake, on which she has failed to attend question time on time. It is her third offence and, under the government’s regime, she would be penalised eight weeks worth of income support. I understand that the minister is on about $3,000 a week. She would be penalised $24,000 for her failure to attend question time on time.

I think most people in this country would say, ‘Gee, that is a bit harsh to fine someone $24,000, even on a minister’s salary, for being late for an appointment, for being late for question time. That would be a harsh penalty regime and not supported by the severity of the failure to attend.’ But that is the very regime that she sought to defend today for some of the most vulnerable people with the least resources in our community. People who are homeless, people who are on disability pensions, people who are struggling to survive in our community and who are in receipt of income support allowances have been penalised up to eight weeks of their income support payments because of their failure to attend an interview. Many of these people, it turns out, failed to attend their interview because they did not get the letter—if you are homeless, you often find access to a letterbox a bit difficult—but also for a range of other reasons. Many have mental or intellectual disabilities which perhaps prevent them from responding appropriately to written correspondence.

All of these issues have been detailed, but the minister comes in here today and attempts to defend this regime. We know that under this government, as part of a deliberate policy, there has been a 189 per cent increase in the breaching of people on benefits—a 189 per cent increase over the last three years. They have been out there applying a very discriminatory policy on those least able to cope in our community—penalising them, removing their benefits in a very harsh regime. These people have been losing from about $700 to $1,400 as a result of this penalty regime. Now, $700 to $1,400 may not seem like a very large amount to Senator Vanstone or to anyone in this chamber, but for these people it is their only income for up to eight weeks. From the charitable organisations that support these people when they are breached, we know that people are going without food, people are being evicted from their houses and people have been forced to steal because of the poverty that they are forced into by this breaching regime.

It is not at all clear to me what the government are saying about this, because this information only came to light after ACOSS were able to get it through the Freedom of Information Act. The government took no interest in this matter until then. Now they are saying that they are sort of going to have an inquiry. They think it is fair that people be held to account but they are also going to have an inquiry: it is the ‘tough cop, soft cop’ option that Senator Vanstone and Mr Anthony are playing. It is not quite clear. They seem to have one message for the 7.30 Report about reviewing the policy and responding to ACOSS’s concerns, but to another audience there seems to be the ‘we’re tough on the dole bludgers’ rhetoric.

What we do know is that, as a result of this breaching regime, people are suffering. People, through no fault of their own, are being forced into poverty and homelessness because of the pressures applied by a breaching regime that is out of control, that is cutting off people’s access to benefits and forcing them into very desperate circumstances. I used the example of what it would mean for Senator Vanstone if we applied the same sort of policy. It has clearly got way
out of control. It has been driven by government policy. What I want to hear from the government is what they are going to do about it. Are they going to continue to commit to this breaching policy, or will it be fixed? Clearly, it is having very adverse effects on some of the most vulnerable: the homeless and those with mental and intellectual disabilities. People are being hurt. These are real people who are really suffering, who are going without food and going without basic services as a result of these measures. (Time expired)

Senator KNOWLES (Western Australia) (3.24 p.m.)—Today the debate is a little bit rich, I think. Here is the Labor Party getting up and preaching about breaching and how onerous the tasks are. Under the Labor government, any breach resulted in a non-payment period. How hypocritical is this debate today. Any breach under the Labor government resulted in a non-payment period. Now a non-payment period is imposed only if a person breaches the activity test three times in two years, and yet the Labor Party policy was ‘one strike and you’re out’. How hypocritical is it to come in here and cry foul now. Also, how hypocritical is it to come in here and say that the system is tough. The requirements are not onerous—let us face it: the overwhelming majority of job seekers meet them without difficulty.

Why are the Labor Party creating a problem with this one, when their own policy was to cut people off immediately they breached? The policy now is ‘three breaches in two years’. Eighty per cent of people comply with the system. The requirements are simply to turn up to appointments with Centrelink or the providers—one would say that that is fairly reasonable; to declare earnings from work—most would say that that is fairly reasonable; and to accept job offers—most would say that that is fairly reasonable. I talk about most people agreeing with that, and there is strong community support for breaching penalties. People are saying, ‘Why should my taxes be going to someone who is not turning up to Centrelink for employment, who is not turning up to the providers, who is not declaring their income or who does not accept job offers?’ But, interestingly enough, most of the job seekers—a la 78 per cent of the job seekers—support breaching those who do not meet activity test requirements without good reason. Even 69 per cent of those who have been breached support breaches. Isn’t that interesting: those who are involved in the system support what is currently in place and yet the Labor Party do not. One might ask: what is it that the Labor Party would plan to do if ever the country was unlucky enough to have a Labor government in the near future?

Senator Calvert—Put people out of work like they did last time.

Senator KNOWLES—That is right, Senator Calvert: we have to remember that the last time they were in government they had over a million people out of work and yet they cut their support off immediately they breached. That is why this whole debate today is so hypocritical. The way in which the media reported it is even worse, because they make no reference whatsoever to what Labor did when they were in office and they make no reference whatsoever to the high rates of unemployment that were in existence when the Labor Party were in government.

There are safeguards in place to address the circumstances of the most disadvantaged. One would think that there were no such safeguards, listening to the dishonest bleating from the Labor Party. Before a breach penalty is imposed, job seekers have an opportunity to explain why they could not comply. They have access to an appeal and review mechanism. Around one in seven job seekers are exempted from activity tests for illness, personal crisis, homelessness, bereavement or for being in remote areas and the like. Yet the Labor Party are saying that there are no such safeguards in place.

The hardest thing is to get people to tell us about the problems that they are having—problems like drug abuse, homelessness and so forth. If the system is not informed, the system cannot help them. What I would like to hear from subsequent Labor speakers is why, when they had in government a ‘one breach and you’re out’ policy, they are now challenging a system with a whole lot of safeguard clauses that restricts non-payment to three breaches over two years. It is quite dis-
honest to say that this is a very tough system on people who know their responsibilities to the other taxpayers in this country. It is a joint responsibility; it is not a singular responsibility. (Time expired)

Senator CROSSIN (Northern Territory) (3.30 p.m)—I rise to take note of the answer from Minister Vanstone this afternoon, reminding the Senate, of course, that the minister was late to get question time under way. Senator Knowles has talked about hypocrisy. Let me just remind the Senate that last year, when Senator Newman was the minister for this portfolio, she said that only a small number of those receiving unemployment benefits would ever reach the stage of being cut off altogether. Yet we have seen from the release of the ACOSS report that 17,703 people have in fact received the third activity test breach between September 2000 and February 2001. So, in only a six-month period—a small window of opportunity—there has been a 160 per cent increase on the previous year. A matter that I also addressed to the minister went to the diminishing number of Work for the Dole places in many regions, but I will get to that in a minute.

When an unemployed person breaches their requirements under this act for the third time, there is an eight-week penalty, which amounts to $1,431. How does this government expect those people who will no longer receive unemployment benefits such as the Newstart allowance to actually keep up their rent payments and to buy food and to undertake the activities they will need to undertake in order to search for a job—finding a bus fare, a train fare, getting on the telephone, actually undertaking the day-to-day activities you need to undertake in order to search for a job?

What kind of people are we talking about who are affected by this? We are talking about those people who have low literacy and numeracy standards, who may not even be able to understand the letters and the requirements that come through the mail asking them to front up for these appointments. We are talking about those people who may suffer with a mental illness. We are talking about indigenous Australians. We are talking about those people who are homeless or may be affected by any drug or alcohol reliance problems. They are mainly those people who are young in our community. ‘Do not worry’, says Senator Knowles, ‘if you get this please explain letter or, worse than that, if you actually get cut off and do not receive this entitlement, you do have an opportunity to explain to Centrelink what has happened or you have access to a review.’ These are people who, if they have actually breached the activity test for the third time, are probably feeling very disempowered, have low self-esteem and need intensive assistance to help them on the path of finding employment; they do not have the skills to be able to explain what is happening or to access a review. So, all up, we have a system which is actually failing these people.

It is interesting that a press release put out by ACOSS last Monday says this:

These findings—that is, the findings showing the increase in the number of people who have been penalised for breaching the activity test—contradict the government assurances that social security penalties are only used as a last resort. They confirm the experience of many welfare agencies who are experiencing a wave of demand for crisis help from individuals and families whose social security payments have been reduced or stopped in this instance.

That is what is happening under this regime, under this federal government. The cost of having to help these people is shifting onto the families and onto the welfare agencies, who are experiencing an increase in demand for their resources and for their services and payments. ACOSS go on to say that there is substantial evidence that, instead of the most disadvantaged job seekers being protected from harsh penalties, they are in fact being let down by this government, which is not assisting them. (Time expired)

Senator TCHEN (Victoria) (3.35 p.m.)—During question time earlier today, Senator Faulkner rose to raise a point of order when Senator Alston was answering a question from Senator Collins. The point of order he wanted to raise was, as one of his cohort behind him shouted out in case Senator Faulkner forgot, on the issue of relevance, even though the minister was then only 30 sec-
onds into his answer. Madam President then quite rightly ruled Senator Faulkner out of order, but we should be grateful to Senator Faulkner for focusing our attention on the issue of relevance because relevance is the first thing that opposition senators should consider when it comes to question time. Question time, as we know, is the time when the executive government is given the opportunity to give account to the parliament.

Senator Carr—Madam Deputy President, I rise on a point of order. I would like to know what relevance this contribution has for us at the moment. Is the senator speaking to the question or not? It does not seem to me that he is.

The DEPUTY PRESIDENT—I was going to remind Senator Tchen that he is already a minute into his speech and that the questions that are being taken note of today are the answers that were given by Senator Vanstone in relation to breaching, and I hope that you can tie that into the important issue you are discussing of relevance.

Senator TCHEN—I am sure I can satisfy you on that, Madam Deputy President, because, as I was saying, question time is an important time for the executive government to give account to the parliament for how they are managing national affairs, and it is a time when important factual information about the state of the nation should be sought and provided. Yet, day in and day out, Labor Party senators come into this chamber armed with rumours, innuendos, urban myths, misunderstandings, half-truths and sometimes straight-out lies, trying to draw a web of deceit to ensnare and frighten the vulnerable and concerned members of our community. How is this practice relevant to good parliamentary practice? How is this behaviour relevant to the responsibility this Senate has to the electors?

The DEPUTY PRESIDENT—Senator Tchen, are you going to relate this to the minister’s answers in some way?

Senator TCHEN—Yes, Madam Deputy President. Today, the opposition have taken up the issue of fairness—the issue of imposing penalties on people who have repeatedly breached social security support payment conditions. The ostensible complaint by opposition senators is that there has been a 160 per cent increase in breaching.

Senator Carr—It is 189 per cent actually.

Senator TCHEN—A 189 per cent increase, and that therefore it is a regime which is out of control and people are suffering, as Senator Evans said. One of the first points we need to make is that anything coming from a low base is going to have a high rate of increase. The question we should ask is whether the previous regime was too easy in letting people who should be responsible for their obligations get away with it. What a—if I may use the word—lousy job the previous government has done in policing the system when they were in power for 13 years.

It is totally reasonable for the community to expect people to meet obligations in exchange for support from the community and it is totally reasonable to apply sanctions to those who refuse to comply. Do I hear opposition senators object to that? No. If we do apply sanctions, we have to look at the situation of breaching. The issue here is that the requirements that this government now has in place are not onerous. Overwhelmingly, the majority of job seekers meet the requirements without difficulties. Can I point out that breaching occurs when there is non-attendance—not through lateness, not when there is a reasonable excuse, but through non-attendance, non-respondence.

According to Centrelink information, more than 80 per cent of job seekers do not breach. Only 2.2 per cent of 1.28 million people who received unemployment payments in the last financial year served non-payment periods because they incurred three breaches. Senator Knowles pointed out that the previous Labor government’s policy was ‘one breach and you are out’, whereas under the current regime the policy is warnings and breaching. Furthermore, lots of things are under way to improve matters. The government is well aware that the system needs to be adjusted to make sure that no-one is unfairly disadvantaged. There is now a system in place where Centrelink has introduced a third breach alert to advise social workers—occupational psychologists—before the
third breach applies, and a warning pilot program is in place. *(Time expired)*

**Senator GIBBS (Queensland) (3.40 p.m.)—** I also rise to take note of answers given by Senator Vanstone today. My colleagues have pointed out the number of penalties that have been imposed on people for breaching. The number that I have is 349,100 penalties. The consequences of what happens to people when they are breached—from $700 to $1,400—and how they manage to survive, are very dire indeed.

My colleagues have pointed out most things that I was going to point out, so I would like to turn to a report in Queensland. This was reported in the *Sunshine Coast Daily* this morning and it is about Mr Brian Smith, who lives at Bokarina. Mr Smith is a former Centrelink worker who had his mature age allowance cancelled, not once but twice, and on both occasions it was through no fault of his own. Mr Smith’s health care card and a mature age allowance of $200 per month, which he depends on for five medical prescriptions, was cancelled because, according to a letter to him from Centrelink, he had failed to return his six-monthly review by 7 August, as was requested.

As I said, Mr Smith was a former Centrelink employee. He was a Centrelink employee for more than eight years, so he has eight years experience of dealing with other people. Consequently, Mr Smith was fully aware of his obligations and recognised the importance of returning the form on time. Mr Smith had in fact returned the form early. He returned the form on 30 July, but the system had obviously failed Mr Smith and his benefit was cancelled. So although he did the right thing and returned the form early, somehow the system went hopelessly wrong and his benefit was cancelled. It was not until Mr Smith went to his local Centrelink office and explained his situation that a staff member realised the mistake and restored his entitlement. In the *Sunshine Coast Daily*, Mr Smith was reported as saying:

I was fortunate that I had a recent term deposit mature which gave me sufficient [funds] to manage for now. However, can you imagine the trauma the elderly or frail, or even the sick, would go through?

Mr Smith is 63 years old and obviously does not think that he is an elderly gentleman, but a lot of people do not have savings. As my colleagues have pointed out, a lot of people have nothing to fall back on. In its report, ACOS found that people who are breached have to steal, have to go without food and have to do the most dreadfully undignified things to survive. That is not good enough in a country like ours.

We are a civilised society. We should be giving people dignity. If people are unemployed, they are entitled to benefits. Those of us who pay taxes do not begrudge that. We should never put people in the undignified position of having to steal food, of having to lie or of having to do dreadful things to survive. It is not on in a civilised society. ACOS also have found cases which show that often the most vulnerable Australians are penalised because they have difficulty negotiating bureaucratic red tape. We should have workers there to help them. Imagine being homeless because you have nothing to fall back on. It is absolutely outrageous. A lot of this is through no fault of these people. *(Time expired)*

**Senator BARTLETT (Queensland) (3.45 p.m.)—** I would like to speak on behalf of the Australian Democrats to the answers given in question time dealing with the issue of breaching. It is a concern that I and others in the Democrats have raised in this chamber a number of times over recent months—indeed, even longer than that. As well, concerns have been raised out in the general community. It really has come to a quite significant head now. In the last week we have seen a number of reports highlighting the fact that we are really facing a crisis situation in relation to the number of people being forced into poverty by the excessive levels of breaching. A report has been released by ACOS and the Welfare Rights Network. They are probably amongst the best qualified organisations in the community to comment on the range, the impact and the nature of breaching, and indeed on the unreasonable way in which breaches often are put upon people by Centrelink. There is any number of reports from welfare agencies which work at the grassroots level about the extreme and
unreasonable implementation of breaches by Centrelink. Many of those breaches have been overturned on appeal, either internally through the review officer or through the Social Security Appeals Tribunal, but in the meantime the person involved has had to undergo enormous stress and loss of income, and often these people are not in the situation of having much income to get by with. Really, our major mechanism for alleviating poverty is actually operating in a way that is generating poverty. That is clearly a ridiculous and unsatisfactory situation.

The Democrats commend ACOSS and the other groups supporting the independent inquiry that has been established to look at this issue in an independent and non-partisan way—not just to identify the problem which I think has already been identified to a fair degree but to also identify solutions. Certainly the Democrats will be very keen to assess the findings and outcomes of that review. The opposition are quite rightly pointing to the dreadful situation at the moment, but they of course may soon be in the situation where they themselves will have the power to fix it, and the Democrats are keen to hear some firm commitments from the ALP. We want to hear that they will act to significantly reduce the number of people currently being penalised. Quite clearly there has been a huge increase in the number of people being penalised and breached by Centrelink. It cannot seriously be suggested that, in the last 12 months or three years, 189 per cent more people suddenly are not doing the right thing, suddenly are trying to cheat the system and thus are receiving welfare. That is clearly not the case. There is no evidence or any plausible suggestion that there has been a sudden massive leap in the number of people trying to rort the system, in which case clearly there is an excessive and unnecessary increase in the degree of harshness in the implementation of this so-called principle of mutual obligation by the federal government which is leading to an enormous degree of hardship out in the community. There has been any number of stories of people being forced into homelessness and losing accommodation as a consequence of being breached, again showing how absurd the situation is. A system that is set up to try to stop people falling into such situations as homelessness is actually operating in a way that forces them into it.

Just last week the Salvation Army highlighted that around 11 per cent of people have turned to crime after Centrelink cut off their welfare payments. The Melbourne Catholic Church archbishop Denis Hart said that there is a need to minimise breaches of welfare recipients as well as a need to increase the level of unemployment benefits and public housing. The Head Injury Council of Australia highlighted their concern that many people being breached are indeed sufferers of acquired brain injury and are not being properly assessed or recognised by Centrelink. Mental illness organisations also have raised similar concerns. Hundreds of thousands of Australians are clearly being forced into greater poverty and hardship as a result of inappropriate implementation of the mutual obligation principle. The Democrats are extremely concerned about it and call on the government to act immediately.

The DEPUTY PRESIDENT—Order! The time for debate has expired.
Question resolved in the affirmative.

PETITIONS

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

National Flag
To the Honourable the President and Members of the Senate assembled in Parliament. The Petition of the undersigned respectfully showeth that:

1. We the undersigned wish to signify our strong opposition to any change in the design or colour of the AUSTRALIAN NATIONAL FLAG.
2. We believe that the current flag has served Australia well and will continue to do so in the future and represents a true manifestation of the Nation’s history.

And your petitioners, as in duty bound, will ever pray.

by Senator Kemp (from four citizens)

Occupational Health and Safety Legislation
To the honourable the President and members of the Senate assembled in Federal Parliament:
The petition of certain employees of the Commonwealth draws the attention of the Senate to

The Bills contain proposals that would:

• disadvantage injured and ill employees; and
• unravel current workplace health and safety consultative arrangements and committees.

There is no evidence that current arrangements are working poorly.

Your petitioners therefore ask the Senate to reject both bills in their current format (May 2001).

by Senator Murray (from 900 citizens)

Petitions received.

NOTICES

Presentation

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

That the time for the presentation of the report of the Legal and Constitutional References Committee on the Human Rights (Mandatory Sentencing for Property Offences) Bill 2000 be extended to 30 November 2001.

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

That the Select Committee on Superannuation and Financial Services be authorised to hold a public meeting during the sitting of the Senate on 23 August 2001, from 3.45 pm till 6.45 pm, to take evidence for the committee’s inquiry into prudential supervision and consumer protection for superannuation, banking and financial services.

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

That the Senate—

(a) notes:

(i) the passing on 9 August 2001, of one of the ‘painting men’ from the community of Papunya, Mr Turkey Tolson Tjupurrula,
(ii) that he painted from the mid-1970s until his death, creating a vast body of work which is hung in all the major public galleries in Australia as well as America and Japan, and
(iii) that his work brought him and his community national and international acclaim, and constitutes an invaluable part of the nation’s cultural heritage; and

(b) expresses its sadness at the passing of one of our most respected and revered visual artists and cultural custodians.

Senator O’Brien to move, on the next day of sitting:

That there be laid on the table by the Minister representing the Minister for Transport and Regional Services by 5 pm on 22 August 2001, the following documents:

(a) a minute (held in file number K97/0097) concerning Black Spot Project reference number N00752, dated 12 December 1997, from the Federal Office of Road Safety and signed by Mr Anthony Ockwell to the then Minister for Transport and Regional Development, Mr Vaile;

(b) question time briefs (held in file number K96/758) relating to Black Spot Project reference number N00752, dated 24 February 1998, from the Federal Office of Road Safety to the then Minister for Transport and Regional Development;

(c) question time briefs (held in file number K96/758) relating to Black Spot Project reference number N00752, dated 26 February 1998, from the Federal Office of Road Safety to the then Minister for Transport and Regional Development; and

(d) question time briefs (held in file number K96/758) relating to Black Spot Project reference number N00752, dated 5 March 1998, from the Federal Office of Road Safety to the then Minister for Transport and Regional Development.

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

That the Senate—

(a) congratulates the people of the Northern Territory for their rejection of mandatory sentencing policies; and

(b) calls for the removal of mandatory sentencing for property crimes in Australia.

Senator ALLISON (Victoria) (3.53 p.m.)—Pursuant to standing order 78, I give notice of my intention, at the giving of notices on the next day of sitting, to withdraw business of the Senate notice of motion No. 1 standing in my name for 22 August 2001 for the disallowance of the Sanctions Amendment Principles 2001 (No. 1), made under
subsection 96-1(1) of the Aged Care Act 1997.

**COMMITTEES**

**Intelligence Services Committee**

Meeting

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

That the Joint Select Committee on the Intelligence Services be authorised to hold a public meeting during the sitting of the Senate from 6 p.m. today.

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

Meeting

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

That the Rural and Regional Affairs and Transport Legislation Committee be authorised to hold a public meeting during the sitting of the Senate today, from 7.30 p.m., to take evidence for the committee’s inquiry into the administration of AusSAR in relation to the search for Margaret J.

**PARLIAMENTARY ENTITLEMENTS**

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

That the Senate calls on the government to put in place the necessary measures 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.

**COMMITTEES**

**Environment, Communications, Information Technology and the Arts References Committee**

Meeting

Motion (by Senator Allison) agreed to:

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.

**FINANCIAL SERVICES REFORM BILL 2001**

**Report of Corporations and Securities Committee**

The DEPUTY PRESIDENT—I present the report of the Joint Committee on Corporations and Securities on the Financial Services Reform Bill 2001 which was presented to me on 16 August 2001.

Ordered that the report be printed.

**DOCUMENTS**

**Auditor-General’s Reports**

Report No. 9 of 2001-02


**HUMAN RIGHTS REGISTER**

The DEPUTY PRESIDENT—I present a response from the Minister for Immigration and Multicultural Affairs, Mr Ruddock, to a resolution of the Senate of 26 June 2001 concerning the Human Rights Register.

**COMMITTEES**

**National Capital and External Territories Committee**

Minutes of Proceedings

Senator Calvert (Tasmania) (3.57 p.m.)—On behalf of Senator Lightfoot, I present minutes of proceedings relating to the inquiry by the Joint Standing Committee on the National Capital and External Territories into the provision of health services on Norfolk Island.

**BUDGET 2001-02**

Consideration by Rural and Regional Affairs and Transport Legislation Committee

Additional Information

Senator Calvert (Tasmania) (3.58 p.m.)—On behalf of the Chair of the Rural and Regional Affairs and Transport Legislation Committee, I present additional information received by the committee relating to
hearings on the budget estimates for 2001-02.

COMMITTEES
Superannuation and Financial Services Committee
Report

Senator WATSON (Tasmania) (3.58 p.m.)—I present the report of the Select Committee on Superannuation and Financial Services entitled *Prudential supervision and consumer protection for superannuation, banking and financial services: First report*, together with the Hansard record of the committee’s proceedings and submissions received by the committee.

Ordered that the report be printed.

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

Leave granted.

Senator WATSON—I move:

That the Senate take note of the report.

The committee’s report on prudential supervision and consumer protection of superannuation and financial services addresses the last of the terms of reference given to the committee on their establishment in October 1999 and is the committee’s first report on this term of reference. The committee have been unable to present the report before now because of the large number of other inquiries, the high workload of the committee and the number of reports on bills that we have undertaken. In fact, we will be having our 100th meeting tomorrow afternoon. In the report the committee have commented at a broad level on the adequacy of Australia’s current prudential regulatory framework. In particular, we considered the overall performance of APRA—the Australian Prudential Regulation Authority—and ASIC, as well as various regulatory issues, including matters associated with the Superannuation Industry (Supervision) Act 1993.

In the near future, the committee intends to table a second report which examines in greater detail five case studies we chose as examples of poor management of superannuation funds by some trustees and poor management of mortgage schemes by some solicitors. These studies illustrate why the role of the regulator is so important. We have referred in general terms to those case studies in this report. I think it is unfortunate that we were unable to present the first and the second reports concurrently because they should be read as one. The second report certainly builds very much on the first report.

In summary, the committee found that, in the wake of the major reforms arising from the Wallis inquiry in 1997, the current regulatory framework is still complex and confusing to some. More needs to be done to improve awareness of the roles of the regulators, especially to clarify the role demarcation between APRA and ASIC and to streamline the entry point for consumers by having a one-stop shop for regulatory and consumer affairs. While problems with the system of having two regulators have been identified, the committee does consider that these are not insurmountable and that a number of measures are currently being taken to address some of the issues. The committee has also found that there is scope for APRA, as the major prudential regulator, to improve its performance in some areas, especially in supervising superannuation entities. While some sectors receive top class assistance and oversight, there are some serious shortcomings in other areas, particularly in relation to the regulation of small to medium size superannuation funds.

The committee considers that there is a great deal of scope for APRA to assist trustees to perform their duties more effectively in the best interests of fund members and has made a number of recommendations in this regard. For example, the committee believes that fund members should, as a matter of course, be given more detailed information from trustees about such things as fees and charges associated with the administration of funds and remuneration of trustees, among others. The committee is also concerned that trustees, fund managers and administrators who have been convicted of fraud do not practice in business administration of superannuation again until certain conditions are met. We are also concerned to ensure that applications for financial assistance when fraud has been committed are dealt with expeditiously.
The committee considers that, generally speaking, ASIC is operating effectively. However, we do have some reservations about the timeliness and effectiveness of the regulators’ enforcement activities in some areas, particularly in relation to APRA’s activities. In the wake of the recent collapse of HIH and Commercial Nominees of Australia, the mismanagement by some trustees of some superannuation funds and the mismanagement by some solicitors of mortgage schemes, it must be ensured that, in the future, early warning signals are heeded and appropriate action is taken, particularly by the regulators. The adequacy of resources for both regulators must be carefully considered to ensure that they are able to carry out their duties effectively.

During the inquiry, the committee also found a number of regulatory issues that needed to be addressed. These included the system of levies imposed on the various financial sectors to fund the prudential regulators. The committee also found that the standards of auditing need to be addressed and that there are various aspects of the SIS Act which we consider require clarification and further investigation. The committee believes that regulators are entitled to rely very heavily on the accounts and the audit reports of those accounts. Because of the importance of enhancing the effective supervision of superannuation funds in particular, the committee will be holding a roundtable on auditing later this week. This meeting has attracted an enormous amount of interest and we look forward to reporting the outcome to the Senate in the near future.

The committee is grateful to the many individuals and organisations which took the time to write to the committee to express their views and give evidence at the public hearings. Their cooperation and willingness to provide information to assist the committee’s inquiry was much appreciated and gave refreshing insights into the many issues facing prudential regulation and consumer protection in Australia. On behalf of the committee, I would also like to record my appreciation to the secretariat for their work during the inquiry and for assisting us to produce this report. In addition to thanking previous members of the secretariat, I would also like to thank, in particular, our hardworking secretary, Miss Sue Morton, the team of research officers, especially the principal research officer, Louise Gell, and the executive assistant, Jade Ricza. Tracey Noble, Anne O’Connell and Anne Willenborg also made valuable contributions to the research work undertaken during this inquiry. Our committee has produced something like 14 reports since we commenced two years ago. I think that is a pretty high record. The committee is also grateful for the valuable assistance provided by staff of the Information and Research Services of the Department of the Parliamentary Library, especially David Kehl, and other officers of the Department of the Senate who contributed in a number of ways to the completion of this committee’s report.

As chairman of the committee, I indicate that I have a great deal of confidence in the oversight and supervision of superannuation in this country. I think of late there have been some unnecessarily alarming reports from some people, some with vested interests. Our job is to highlight the problems. The system does need finetuning. It is essentially a finetuning exercise. We have indicated that the regulatory regime is in fine shape, but there are aspects that the committee would like to be addressed, and addressed in a timely manner. I believe it is essential for all responsible players within the industry to act responsibly and to make responsible statements. I commend the report to the Senate.

Senator SHERRY (Tasmania) (4.06 p.m.)—The report of the Senate Select Committee on Superannuation and Financial Services that we are considering is an important one. Why is it important? It is important because the committee has undertaken a very thorough examination of the prudential regulation of financial services in Australia. Prudential regulation includes banking, insurance, superannuation and solicitors’ mortgage funds. It is particularly important because every Australian would have one of those financial products. A total of $497 billion is now invested in superannuation. Billions of dollars have been invested through solicitors’ mortgage funds. It
is a matter of unfortunate note that in recent times a small number of superannuation funds have experienced severe difficulty. It is also a matter of note that recently there have been a significant number of solicitors’ mortgage funds where losses in the range of hundreds of millions of dollars have occurred throughout Australia. The committee carried out a specific case study of solicitors’ mortgage funds in my home state of Tasmania.

The committee carried out a year-long investigation and the report is unanimous. I think it is important to stress that the report is unanimous. The report is very critical of some aspects of regulation in this country and also goes to some important changes that should be made. Firstly, I might just refresh the Senate’s memory that it is the Treasurer, Mr Costello, who presided over the creation of the current regulatory framework of financial services in Australia. He said in 1998:

Once implemented, Australia will have a stronger regulatory regime designed to better respond to developments in the finance sector, including globalisation and technological change and the needs of businesses and consumers. Once implemented, Australia will be a world leader, with best practice, leading edge financial sector regulation.

Unfortunately, I would have to say, as deputy chair of the committee, that the committee could not reach that conclusion. In fact, on page 7 of the report there is an interesting illustration of the old regulatory framework and the current regulatory framework. I might just hold that up for the Senate. The current Minister for Education, Training and Youth Affairs, who is in the other place, Dr Kemp, has unfairly referred to Labor’s Knowledge Nation as ‘spaghetti nation’. If you look at this diagram of our current regulatory framework in Australia, you could find no better description of the current regulation of Australia’s financial industry as spaghetti regulation. In summary, it is very complex, it is disjointed, it is messy, it is unclear and it is not delivering.

Let me go to some of the unanimous findings and recommendations of the committee report. The committee found that the current regulatory framework is complex and confusing and that there is scope for APRA, as the major prudential regulator, to improve its performance in some areas. In reference to ASIC:

The committee has some reservations about the timeliness and effectiveness of the regulator’s enforcement activities in some areas. The committee noted many examples of poor standards of stewardship by trustees, in particular through speculative, inappropriate and unsound practices and loan arrangements. The committee considers it imperative to provide certainty and clarity in the regulatory framework. There is evidence of regulators being poorly resourced and staffed inadequately.

The committee found that the current regulatory framework was complex and confusing. We went to a number of case studies, flowing from which a second report and detailed recommendations will be handed down soon. We received over 200 submissions. The majority related to two case studies: a commercial nominees superannuation fund and solicitors’ mortgage schemes. The committee also found that there was evidence of buck-passing from one regulator to another. The committee recommends that APRA improve its oversight of trustees; that APRA act more quickly when matters come to its attention; that fund annual reports identify any payments to trustees from the fund, broken down into directors’ fees and other payments; and that all significant administration fees, charges and commissions paid to both fund managers and development managers be disclosed. A trustee fund manager or administrator who has been convicted of fraud should not practise again until certain conditions are met. One of these conditions might mean not practising for 15 years. Compare this to the very light-feathered touch of ASIC, when it suspended Mr Hudson in Tasmania, one of the persons caught up in the solicitors’ mortgage fund scandal. He was conditionally suspended for just six months.

The committee also found that the minister must act expediently and efficiently in making a decision under the Superannuation Industry (Supervision) Act to grant financial assistance to a fund that has suffered as a result of fraud or theft to minimise the hard-
ship that superannuation fund members could suffer. This is a very important protection to fund members in this country. It provides, in the event of theft or fraud, for 100 per cent compensation. I might say in passing that this is the 100 per cent protection in the event of theft and fraud that the Liberal government attempted to water down last year to some 80 per cent. On that issue I am pleased to say that again the committee unanimously concluded that the current 100 per cent protection in the event of theft and fraud should also be maintained.

The committee went further, though. In respect of superannuation moneys, when a person retires and collects their lump sum, it recommended that the current protections in the event of theft and fraud in the SI(S) Act be extended—this is a very important recommendation—to include an appropriate range of pension and retirement annuity products. The committee found that there were far too many examples of Australians who have retired, received a lump sum and invested that money and who are being ripped off. There was the appalling case of solicitors’ mortgage funds in my home state of Tasmania. The vast majority of victims were retired Tasmanians who lost hundreds of thousands of dollars, in some cases, of their retirement moneys.

The committee further considered that, for example, the early warnings of problems with EPAS superannuation and CNA, another superannuation fund, appear to have been overlooked by the regulator. The collapse of HIH Insurance is yet another example where early warning signals seem to have been ignored by the regulator. APRA should review its approach to risk management and increase the attention it gives to the prudential supervision of superannuation entities, especially those in the small to medium sized fund environment. APRA provided the committee with a long list—a litany—of small to medium sized superannuation funds which failed to address basic regulatory requirements. We also found that ASIC’s resources are stretched to the limit. This is hardly surprising, I suppose, with the recent rash of major financial collapses: HIH Insurance, One.Tel and a number of other financial institutions. So there should be a review of the resources at the disposal of ASIC and APRA.

In relation to the staffing of both APRA and ASIC, many highly skilled and qualified staff were regrettably lost when ASIC was forcibly removed by the Treasurer from Canberra to Sydney. All this has impacted on the effectiveness of the regulatory framework in Australia.

Finally, the committee believed that auditors should be genuinely independent. There are far too many examples of conflict of interest when some auditors carry out their responsibilities. Auditors are critically important for the effective regulation of our financial system.

In concluding, this is a very important report. It is a unanimous report. It is very in depth and it has some very important recommendations. It concerns me that there is a level of complacency amongst the government—not amongst government senators, I might say, on our committee—in thinking that we have some sort of world’s best practice regulation when clearly the facts do not indicate that. We have spaghetti regulation. It is complex, disjointed, messy and unclear. You have only to look at this diagram of the mess of regulation we have in respect of financial services in this country. I look forward to the implementation of the recommendations of this very important report by a future Labor government.

Debate (on motion by Senator Ludwig) adjourned.

Treaties Committee
Report

Senator LUDWIG (Queensland) (4.16 p.m.)—At the request of Senator Cooney, on behalf of the Joint Standing Committee on Treaties, I present the 41st report entitled Six treaties tabled on 23 May 2001. I seek leave to move a motion in relation to the report.

Leave granted.

Senator LUDWIG—I move:

That the Senate take note of the report.

I seek leave to incorporate in Hansard a tabling statement by Senator Cooney.

Leave granted.
The statement read as follows—

Madam President, the report I have just tabled contains the findings of the Treaties Committee’s review of six proposed treaty actions tabled on 23 May 2001.

The proposed treaty actions are:

- an Agreement with Germany on Films Co-Production;
- an Agreement on Social Security with New Zealand;
- an Agreement on the Conservation of Albatrosses and Petrels;
- a Protocol to amend the Convention on Limitation of Liability for Maritime Claims;
- the withdrawal of ratification of a series of International Labour Organisation Conventions relating to hours of work and manning of ships; and
- the denunciation of International Labour Organisation Conventions relating to minimum age rates and the inspection of emigrant ships.

In this Report we express our support for all six of these treaty actions.

Madam President, rather than trying to cover all of the treaties reviewed in this Report I would like to just comment on the Agreement on Social Security with New Zealand and the Protocol to the Convention on the Limitation of Liability for Maritime claims.

The Social Security Agreement with New Zealand is important because it enables the period of working life residence in either country to be added together to form an eligibility for a range of pensions in either Australia or New Zealand.

The essential feature of this agreement, which replaces an existing and long standing agreement with New Zealand, is that it changes the manner in which each country contributes to the payment of pensions.

The current agreement is an old style ‘host country’ agreement, where the country in which the pensioner is resident meets most of the cost of pension payments.

The new agreement is a ‘shared responsibility’ agreement, where each country contributes to paying the pensions in proportion with the length of time that the pensioner has lived and worked in each country.

Because of the typical patterns of immigration between the two countries, the new agreement is expected to save the Australian Government $93.9 million over the next 4 years.

The agreement is clearly in the national interest – it will result in considerable financial benefit to Australia, while at the same time preserving the important role that freedom of trans-Tasman movement and a single labour market play in developing closer economic relations between our two nations.

Madam President, the second treaty I would like to comment on is the Protocol to amend the Convention on Limitation of Liability for Maritime Claims. This Agreement fits alongside other international maritime agreements to provide a framework to ensure Australian authorities can claim damages against shipowners for accidents that lead to environmental damage.

We agree that Australia should recognise and be part of a scheme that increases the amount that claimants may recover in the event of a ship accident, while at the same time not placing undue financial risk on shipowners or salvors.

We see this Agreement as providing a way to support new higher liability limits while instituting simplified procedures.

The Agreement also acknowledges the fact that inflation has eroded the value of the liability limits provided for in the current Convention.

I commend this latest report, our 24th in this Parliament, to the Senate.

Question resolved in the affirmative.

Membership

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

Motion (by Senator Ian Macdonald)—by leave—agreed to:

That Senator Murray replace Senator Greig on the Legal and Constitutional References Committee for the committee’s inquiry into the Trade Practices Act and misuse of market power.

FINANCIAL SECTOR (COLLECTION OF DATA) BILL 2001

FINANCIAL SECTOR (COLLECTION OF DATA—CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) BILL 2001

First Reading

Bills received from the House of Representatives.

Motion (by Senator Ian Macdonald) 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 MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (4.19 p.m.)—

I table the revised explanatory memoranda relating to the bills and move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

FINANCIAL SECTOR (COLLECTION OF DATA) BILL 2001

I rise today to introduce two Bills that give effect to the harmonisation and streamlining of the collection of statistical information across the financial sector.

While existing legislation provides for the collection of financial information, those powers are currently unwieldy and often uncertain. This legislation will clarify the regulator’s powers in this area as well as provide a welcome reduction in the red tape associated with duplicate data collections in this field.

When the Australian Prudential Regulation Authority (APRA) was established on 1 July 1998, it inherited a variety of data-collection tools and analysis systems. These tools and systems were tailored to meet the data needs of APRA’s predecessor organisations (the Insurance and Superannuation Commission, the Reserve Bank of Australia, State Supervisory Authorities and the Australian Financial Institutions Commission).

Three major problems can be identified with the existing arrangements.

First, the existing data-collection framework is fragmented, cumbersome and in some areas outdated. Presently, APRA collects 153 forms, comprising 17,000 data items. In some cases, the data collected are inadequate or no longer relevant to the performance of APRA’s functions.

The second problem concerns the inflexibility and inconsistency of the current data-collection and publishing powers. APRA’s current data-collection powers work in conjunction with its data publishing powers and both are contained in a variety of industry-specific legislation and regulation.

Finally, the current situation means that there is a significant overlap in reporting duties imposed on entities to provide similar data to different government agencies such as APRA, the Reserve Bank and the Australian Bureau of Statistics (ABS).

These Bills aim to facilitate the modernisation and increase the relevance of financial sector data collections, thereby ensuring that APRA collects the data it requires for prudential purposes. The data APRA collects will also continue to facilitate the formulation by the Reserve Bank of monetary policy. Secondly, they aim to harmonise and increase the flexibility of the data-collection and publishing regimes, and finally, to create a central point for the collection of financial data.

Overall, the proposed regulatory measures are designed to streamline and simplify the current data-collection methods and systems.

Improved data submission mechanisms and a reduction in the frequency of certain key collections will contribute to a substantial decrease in the amount of data required to be provided in total to APRA, the Reserve Bank and ABS, leading to a reduction in the compliance costs and time required to fulfil data providing duties. Financial institutions will not have to spend additional time providing similar data to the three agencies; instead, APRA will be the one-stop-shop, or data collection point.

The modernisation and harmonisation of collections across the three agencies will facilitate easier compliance with APRA’s requests for data, as these will be more commercially aligned. The harmonisation of APRA’s data collections with public disclosure requirements of provider institutions and with the financial collections of the ABS and Reserve Bank will make it simpler for institutions to comply.

The proposals will reduce by around 30 per cent the reporting burden on authorised deposit-taking institutions, measured in terms of the number of data items of this nature that are submitted to APRA, the Reserve Bank and the ABS. By ensuring that these three bodies work cooperatively in this endeavour, substantial savings in financial institution, human and systems resources will be effected over time.

The Financial Sector (Collection of Data) Bill is modest in the context of the overall financial sector reform package undertaken by this Government. Nevertheless, it is an important step in
the Government’s commitment to maintain a world class regulatory framework for the Australian financial sector: a framework which assists the financial sector to be efficient, responsive, competitive and flexible, but which retains the principles of stability, prudence, integrity and fairness.

I will now turn to the Bills in more detail.

**APRA may determine Reporting Standards**

The Financial Sector (Collection of Data) Bill proposes to establish a two-tiered regulatory system that will streamline the data collection processes for both APRA and the institutions it supervises.

- At the top level, the Bill contains broad principles and powers to enable the collection of information.
- At the second level, the detailed reporting requirements for financial institutions will be set out in ‘reporting standards’ which will be subordinate to the legislation and will be made by APRA. The reporting standards will be disallowable instruments.

The reporting standards will be introduced progressively over the next two to three years, commencing with the authorised deposit-taking institution (ADI) sector from 1 July 2001. APRA will continue to hold in depth consultations with industry groups on the detailed requirements of the reporting standards before they are introduced.

**Offences**

Data needs to be received in a timely manner to permit the identification of financial institutions at risk and for the Reserve Bank’s monetary policy purposes. Undue delays in receiving data of this nature can harm the ability of the regulatory bodies to carry out their statutory responsibilities. Late lodgment of statutory returns can seriously compromise APRA’s ability to supervise effectively. In order to allow the regulator to work effectively, protecting the interests of depositors, fund members and policy holders, regulated institutions must provide necessary financial data in a timely fashion. Accordingly, it is considered to be appropriate and necessary for there to be significant disincentives for late lodgment.

The Financial Sector (Collection of Data) Bill facilitates the application of the Commonwealth’s Criminal Code to offences.

It is not intended to apply these powers in cases where there are minor or inadvertent infringements, for example, when returns are just a few days late, which will most likely be the majority of cases. Accordingly, the Bill proposes the introduction of administrative penalties that could be used in lieu of the offences set out above.

The Financial Sector (Collection of Data — Consequential and Transitional Provisions) Bill will repeal the Financial Corporations Act and consequentially amend all of APRA’s industry supervision Acts (as well as several other Acts to simply update references to the proposed new Act) to remove their current data collection provisions. It also amends APRA’s power to publish data received from financial institutions. It is proposed that APRA will generally only publish data in aggregate form, although some individual data will continue to be provided to the market place for market share analysis consistent with current practice.

Disclosure is necessary for effective market operation and to the minimal extent that APRA will publish prudential data, it will be required to consult with industry and obtain industry agreement.

APRA has consulted extensively on the Bills and there has been an overall positive reaction with significant support for the overall objectives of modernisation and rationalisation. APRA has provided presentations and held meetings with regional banks and banks in Sydney and Melbourne. APRA has also consulted with all major bodies including the Australian Superannuation Funds Association (ASFA), Australian Bankers’ Association (ABA), Investment and Financial Services Association Limited (IFSA), Credit Union Services Corporation (Australia) Limited (CUSCAL) and the International Banks and Securities Association (IBSA).

These Bills not only build on the financial sector reforms already undertaken by this Government, they emphasise our commitment to ongoing reform which will ensure that Australia is at the forefront of world’s best practice in financial market regulation.

The financial sector is a key driver in the economy. The benefits that these Bills will provide are clear.

The measures will further enhance access to data collected by APRA and foster more efficient regulation, leading to better prudential oversight of the financial industry. Furthermore, benefits will accrue to the users of financial services through greater confidence in financial services, greater safety for depositors, fund members and policy holders and a stronger financial sector.
FINANCIAL SECTOR (COLLECTION OF DATA—CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) BILL 2001
The provisions of this Bill have been addressed in the Second Reading Speech for the Financial Sector (Collection of Data) Bill 2001.
Debate (on motion by Senator Ludwig) adjourned.

TAXATION LAWS AMENDMENT (RESEARCH AND DEVELOPMENT) BILL 2001
First Reading
Bill received from the House of Representatives.
Motion (by Senator Ian Macdonald) agreed to:
That this bill may proceed without formalities and be now read a first time.
Bill read a first time.

Second Reading
Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (4.19 p.m.)—I table a revised explanatory memorandum relating to the bill and move:
That this bill be now read a second time.
I seek leave to have the second reading speech incorporated in Hansard.
Leave granted.

The speech read as follows—
This bill contains changes and additions to the research and development tax concession. These were announced by the Prime Minister on 29 January 2001 in the Backing Australia’s Ability package. The package includes the introduction of a refundable tax offset for small companies who expend money on research and development; and a 175 per cent premium research and development tax concession for additional investment in research and development. The package also includes streamlining changes to research and development plant and to the definition of research and development.

This package was based broadly on the recommendations contained in the Innovation Summit report, which assessed the strengths and weaknesses of Australia’s innovation system, and the report of the Chief Scientist who reviewed the effectiveness of Australia’s science, engineering and technology base in supporting innovation.

These measures are designed to give effect to the Government’s strategy to encourage investment in business research and development.

One aspect of the measures is the change to the definition of ‘research and development activities’. This change has been made to address weaknesses identified through past Federal Court and Administrative Appeals Tribunal decisions that have unintentionally broadened the scope of the concession beyond its intent. An important element of the change is the inclusion of an objects clause which will aid in the interpretation of what is eligible research and development.

The Government is adopting a fairer and more balanced approach to the treatment of expenditure on plant items used for research and development. The system includes the removal of the ‘exclusive use’ test and the introduction of 125% effective life write-off for research and development plant. Also, a retrospective amendment to the definition of plant expenditure will limit the time that research and development plant must have been used exclusively for the purpose of carrying on R&D activities to an initial period only. This will bring the interpretation of exclusive use into line with commercial practice.

The removal of the ‘exclusive use’ test will enable companies to obtain the research and development tax concession on plant which is not used exclusively for research and development. Therefore companies, particularly smaller companies, who cannot dedicate plant for use on research and development activities for a whole year, will be able to receive concessional deductions for the period during which the plant is used for research and development.

To assist small companies, especially those in tax-loss, a refundable tax offset will be available. To be eligible for the tax offset a company must have an aggregate research and development amount greater than $20,000 and the group with which it is associated must have research and development expenditure of $1 million or less. The company and the group with which it is associated must also have an annual turnover of less than $5 million. This will give small companies, in tax-loss, access to the cash equivalent to the research and development tax concession. This initiative will foster the growth of these companies by providing them with timely support. A tax offset can also increase the cashflow of such companies when they most need it — during their initial growth phase.

A premium research and development tax concession of 175% will apply for firms that undertake ‘additional’ investment in research and development.
Since the Government announcement of these measures in January this year, consultation has occurred with tax agents, research and development consultants companies and industry groups. Largely as a result of this consultation, the Government has decided to change the announced use of a research and development intensity model, to determine the available premium, to a research and development expenditure model.

Accordingly, the premium will apply to any increase in research and development expenditure above a base level established by a three-year registration and claim history. The model chosen to deliver this will induce additional research and development whilst reducing compliance costs. Furthermore, it increases certainty and access for companies.

Without a measure to prevent or minimise manipulation, the premium could be targeted by taxpayers seeking to maximise their benefits under it. This could take the form of companies understating, manipulating or shifting research and development activity across years, for the purpose of reducing their three year average of research and development expenditure. This would increase the value of the concession beyond its policy intent. Accordingly, the package contains integrity measures to address these situations.

The amendments do not exclude particular industries, for example the software or automotive industries, from access to the R&D tax concession. As part of its administration of the research and development tax concession, the Industry Research and Development Board will monitor the impact of the new measures on the capacity of business and industry sectors to claim the concession to ensure that there are no unintended consequences.

The changes to the definition of ‘research and development activities’ and to plant expenditure are to apply from 12.00pm on 29 January 2001, the date of the Prime Minister’s announcement. The premium tax concession rate and the refundable tax offset are effective from the first income year occurring after 30 June 2001. The retrospective changes to the claiming of plant expenditure are to apply from 1 July 1985 until noon 29 January 2001.

The Government considers the consultation process involved with this measure to have been a very positive and worthwhile process. I would like to thank all those involved in that process for their effort in contributing to the development of this bill.

Full details of the measure in the bill are contained in the explanatory memorandum.

I commend the bill and present the explanatory memorandum.

Debate (on motion by Senator Ludwig) adjourned.

ASSENT TO LAWS

A message from His Excellency the Governor-General was reported informing the Senate that he had assented to the following law:

Superannuation Contributions Taxes and Termination Payments Tax Legislation Amendment Bill 2001

ALCOHOL EDUCATION AND REHABILITATION ACCOUNT BILL 2001

Second Reading

Debate resumed.

Senator LUDWIG (Queensland) (4.20 p.m.)—On behalf of Senator Denman, I seek leave to incorporate her speech in Hansard. I understand that it is customary practice. The Government Whip has been advised and has seen the speech.

Leave granted.

The speech read as follows—

The intent of this bill is not to ban alcohol or to demonise it. However we must acknowledge that for society there can be a cost to the consumption of alcohol in terms of alcohol related violence, family breakdown, insurance premiums, traffic accidents and a raft of other unintended consequences.

Thus this bill sets to reserve certain amounts from the beer excise toward programs aimed at reducing the effect that alcohol consumption has on the community. Additionally the bill intends to focus on the use of other licit substances such as petrol sniffing and solvent.

The amount of money involved is substantial, totalling $115 million in revenue, of which 85% must be allocated to professional and community organisations.

The Labor Party has no problem with the intent of this bill, as we acknowledge, as any thinking being would, that although alcohol as with other psychotropic substances can be a great social lubricant it also has the potential to cause great social harm.
There may be those that suggest we should ban alcohol, but history has shown us that idealistic as it may appear, the harm caused was greater than the harm avoided. This also ignores the fact that most users of alcohol are socially responsible.

The main objectives we have relate to the prudential arrangements of the bill. In other words, why has a private company been set up to administer the money, rather than a public body emulating The Victorian Health Promotion Foundation or the Australian National Council on Drugs just to mention two examples.

As our minority reports shows even the Department of Health and Aged Care “...admitted there was no precedent for using a private company this way.”

Additionally, the removal and replacement of members over time may see the scope and the direction of the Foundation change. This may water down the operations of the Foundation to a point that they may well become a puppet rather than a truly effective instrument for moderation and responsible use of alcohol.

The Labor Party is also questioning the amount of revenue collected by the excise with the department being unable at the time of the inquiry, to supply such figures, but we suspect the amount may exceed the 120 million dollars muted. This is backed up by the brewers, who suggest the figure is closer to 180 million dollars. We intend to follow this up in estimates.

As the revenue will not be distributed as collected, but staggered over a four year period the Government of the day will be able to collect interest on those cash reserves rather than the Foundation. As we point out, this is a tricky approach and denies the Foundation interest on their own reserves.

Overall the Labor Party is happy with the general direction of the Foundation’s brief that includes the prevention of alcohol and other licit substance abuse, using evidence based research in. terms of treatment, rehabilitation, research and prevention programs, community education and public awareness campaigns.

We would like to ensure that alcohol related violence is included in the terms of reference, both in terms of domestic violence and other social violence, as this can be one of the most violence producing substances, albeit in a minority of occasions. To neglect this in the terms of reference would be erroneous.

Some thought may be given to also allocating a small amount of revenue to the police, nurses and ambulance drivers, as they are often the groups that have to deal with inappropriate behaviour of individuals or groups affected by alcohol.

Thus perhaps the Foundation could consider a training course, if it does not already exist, in handling potentially violent situations as a result of ethanol or other licit substances such as solvent or petrol intoxication. There also may be a need for debriefing for those professionals that have been accosted emotionally or physically as a result of dealing with the minority of those that exhibit violent behaviour as a result of their ethanol consumption.

Has any thought been given by the Foundation to engage in agitation for employment for some of the marginalised groups?

This does not deny, or is it an attempt to enter into the complex and often counterproductive debate concerning genetic, biomedical or social causes of destructive usage patterns, but merely suggests if you are bored and without direction, value or purpose, bad habits are more likely to occur when young and, logically be harder to resolve when older.

Again, this is not suggesting that the complexity of destructive behaviours can merely be fixed by employment. We are simply suggesting that chronic unemployment, particularly if it is endemic to whole communities, must be seen as a contributing factor to inappropriate alcohol and other licit substance abuse.

It is refreshing to see the focus on evidence based treatment education and prevention strategies. The Labor Party supports this approach with this caveat—that, research done merely in academic circles or programs that work in the urban centres may not translate well into more remote or even rural area.

I am sure that the nominated members of the committee are well aware of the limitations of one size fits all approach and I am not telling them how to approach this issue, but I thought it was worth a mention that local knowledge is invaluable, though at times it may be ill informed.

In summation Labor supports the general intent of this bill, but has serious concerns regarding the prudential arrangements surrounding both the administration of the revenue and the security of the members if they are deemed to be unpopular with the government of the day.

Labor has the feeling this bill was rushed through and through there may be a reasonable motivation for this occurrence in its current form, we feel there are some changes that need to be quickly enacted before it will satisfy our concerns. Thus I refer the Senate to the minority report for guidance.
Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (4.21 p.m.)—

I am pleased to speak on the Alcohol Education and Rehabilitation Account Bill 2001 and to sum up the previous speeches. The legislation arises from an agreement between the Prime Minister and Senator Meg Lees to make commitments regarding an amount equivalent to the difference between excise collected on draught beer between 1 July 2000 and 4 April 2001 and the amount that would have been collected using the new rates prescribed under A New Tax System. This amount was determined by Treasury to be $120 million. The agreement was to allocate $115 million to a new body called the Alcohol Education and Rehabilitation Foundation and $5 million to the restoration and preservation of historic hotels in rural and regional Australia.

The money for the foundation was committed in the 2001-02 budget. This legislation will establish the special account through which to direct funds to the foundation. It will establish accountability mechanisms for the funding and enable the government to appoint an alternative body to expend the funds should the established foundation not act according to the objectives and spending prescriptions set out in the MOU between the Prime Minister and the Democrats. The overall goal of this foundation is to provide support for community based programs that aim to reduce the alcohol related harm in communities. The foundation will also have a charter to target other licit substances that are subject to abuse and that cause harm, such as petrol and other inhalants. We know that the abuse of alcohol and other inhalants leads to physical ill effects in those abusing and can be associated with suicide attempts, antisocial behaviour and crime.

These are problems that Australian people and communities face every day. As an independent charitable body, we envisage that the foundation will develop affiliations, partnerships and grassroots connections with communities that require expertise and support to address entrenched problems with the misuse of alcohol and other substances. The foundation will support a whole range of activities required in a comprehensive response, with treatment rehabilitation and public education aimed at prevention. The government also envisages that the foundation’s charitable status might encourage donations from the business sector and other community members for the further enhancement of work in this important area.

While alcohol related harm could affect any individual family or community, research shows that some population groups are more affected than others. Populations and settings considered to be at risk of alcohol related harm require additional targeted support to ensure that a reduction in harm occurs. Strategies are required that are culturally responsive, that meet the needs of marginalised groups, that recognise the unique settings of local communities and that improve access to services. The Alcohol Education and Rehabilitation Foundation will support such strategies by targeting much of its activities to population groups identified to be at particular risk.

Aboriginals, Torres Strait Islanders and young people are, in general, recognised as particularly vulnerable groups, and we envisage that the foundation will support the development of programs that aim to understand the attitudes and behaviours that lead to harm and the development of programs that prevent harmful behaviour in the first place. As the MOU between the Prime Minister and the Democrats clearly states, the focus of the foundation is to be on the provision of effective education, prevention, treatment and rehabilitation services that target alcohol and other licit substance misuse. The best evidence and experience has found that a comprehensive set of such activities can change behaviours and outcomes.

While the foundation is intentionally set up as an independent body, it will be rigorously accountable for the expenditure of Commonwealth funds in those areas identified as priorities. The foundation will report to parliament annually on the expenditure of all Commonwealth funds. My colleague Senator Grant Tambling will be taking this bill through the committee stages. He is well versed in these areas. It will be a useful exer-
cise for the Senate to listen to Senator Tambling. This legislation is an important and exciting initiative that should draw the support of all members and senators. I commend the bill to the Senate.

Question resolved in the affirmative.

Bill read a second time.

Ordered that consideration of the bill in committee of the whole be made an order of the day for a later hour.

SPACE ACTIVITIES AMENDMENT (BILATERAL AGREEMENT) BILL 2001

Second Reading

Debate resumed from 7 August, on motion by Senator Heffernan:

That this bill be now read a second time.

Senator SCHACHT (South Australia) (4.27 p.m.)—I rise on behalf of the opposition and my colleague the shadow minister for science, Mr Martin Evans, to indicate that we will be supporting the Space Activities Amendment (Bilateral Agreement) Bill 2001. The legislation is a further development of the regulatory arrangements for an Australian space industry. It gives effect to certain provisions of the agreement between the government of Australia and the government of the Russian Federation on cooperation in the field of the exploration and use of outer space for peaceful purposes, signed in Canberra on 23 May this year.

The primary purpose of the Space Activities Amendment (Bilateral Agreement) Bill 2001 is to amend the Space Activities Act 1998 to provide for the making of regulations that will give effect to one or more provisions in the agreement. I point out with some pride that, although the Space Activities Act 1998 was introduced by the present government, the preparation for that act was carried out during the last couple of years of the previous Labor government. I was then responsible for the space program.

We began the process of developing the procedures for that Space Activities Act and it was clear that, to have the opportunity to develop space activities—particularly rocket launchers—from this country, we needed to have a regulatory regime. Anybody can launch a rocket from anywhere to anywhere in the world, but there are all sorts of strategic defence, security and environmental issues. We had addressed none of those in Australia, so we began the preparation for the act. At the time it was introduced, I spoke in this place and congratulated the government on seeing it through. We are now seeing a further amendment to carry out the successful agreement signed by Australia and the Russian Federation. In the early to mid-1990s, I was involved in some of the activities that invited representatives of the Russian space program to come to Australia, and they have now visited on several occasions.

This bill will amend the Space Activities Act 1998 to do the following things: create a new part, part 5A, in the act to provide a framework for the implementation of specific space cooperation agreements; include in part 5A, at section 79A, a power for the Governor-General to make regulations for the purpose of giving effect to one or more provisions of the agreement; add schedule 6 to the act to include a copy of the English text of the agreement; and include in part 5A, at section 79B, power for the Governor-General to make regulations for the purpose of amending schedule 6. Regulations made under section 79A will, amongst other things, enable the minister to nominate organisations to be appointed or involved in specialised activities within the framework of the agreement and to access the benefits of the agreement, other than the benefits offered under article 11.

The bill will also set out the process by which organisations may apply to be nominated for appointment or involvement in the agreement and, further, set out the specific requirements that each organisation seeking nomination must first satisfy before the minister will nominate it to be appointed or involved in activities under the agreement. The purpose of enabling organisations to apply to be nominated to participate in specialised activities is to provide a mechanism by which organisations that are not parties to the agreement may access benefits arising from the agreement. The purpose of requiring applicants to satisfy certain requirements before the minister will nominate the organi-
sation is to ensure that Australia complies with its obligations under the agreement. The government is of the view—and we support this—that it is not intended that the regulation power under part 5A include the power to create and impose penalties for noncompliance with the regulations. Regulations made in accordance with section 79B will enable schedule 6 to continue to accurately represent the English text of the agreement if and as the agreement is amended from time to time by mutual agreement of the parties.

This bill is needed—and we should take this as a very positive sign—because at least four companies are proposing to establish commercial space launch facilities in Australia. There is the Asia Pacific Space Centre on Christmas Island, about which the government has made a major announcement. It has made a major commitment of funds, which I understand may approach $100 million, to get the project under way. There is the Kistler Aerospace Corporation at Woomera, in my home state of South Australia. The Kistler proposal is being developed over several years and is an attempt by that company to provide a totally commercial space launching facility from Woomera. Also at Woomera are Spacelift Australia and the Falcon project.

Two of the four projects envisage the use of Russian launch technology. However, the sensitive and dual use nature of the technology requires agreement between governments to facilitate its release and to ensure control of access. Without a bilateral agreement, the Russian government would not transfer the technology and expertise to Australia, blocking the development of the two space launch projects which are based on Russian systems and depriving Australia of an opportunity to capture a share of the lucrative global satellite market.

The agreement between Australia and the Russian Federation, which, as I have said, was signed on 23 May 2001, provides a legal and organisational framework for the transfer of space technologies, equipment and expertise to the Australian commercial space launch industry. We should all welcome this as we will see the transfer of space technologies from Russia, which has a well-proven record in space technology. We should also note that these projects are going to be carried out in regional Australia. Whether the projects are on Christmas Island or at Woomera, most of the money will be spent in regional Australia. As a South Australian, I have to say that such a project will be a much better example of development at Woomera than the expansion of the present detention centre, which, although it has created a few jobs for local people, has not created an image that many would like us to have—that is, the controversy about the detention of immigrants, the escapes and all those other problems.

As we all know, Woomera in the fifties and sixties and through to the early seventies was one of the leading space centres of the world. Large amounts of money—from the Europeans and the British and from Australia—were spent to develop the infrastructure. It is very sad to go to Woomera these days and to see the state of that infrastructure, with much of it slowly disintegrating or rusting away—it is a desert climate so the rust is rather slow—or to see what happened, very tragically in my view, to the two massive concrete ELDO launching sites that were built in the late sixties for the European Launcher Development Organisation, to launch very big rockets, at the cost of many tens of millions of dollars. Two of these launch sites were built at the edge of Island Lagoon. Then the Europeans decided to go to Guyana to launch the rockets there, as it is closer to the equator, instead of from Woomera. The concrete launching pads, the underground control centres and all the other paraphernalia that went with them comprise, even today, a massive site—a 10-storey concrete structure on the edge of an escarpment that goes down into Island Lagoon. What is particularly tragic is that in the mid-eighties, when there seemed to be no future for space launching in Australia, the Australian defence forces agreed that the SAS, our premier antiterrorist organisation, could use the concrete stands for target practice. So you now see them pockmarked by hand grenades and bazooka shells. Even more tragically, to test their ability to blow things up they put through the underground bunkers a large
amount of explosives and blew the roofs off, so they have been utterly destroyed.

Senator Conroy—Like the CLP in the Northern Territory!

Senator SCHACHT—Yes, I suppose like the CLP—utterly destroyed. Maybe they are going to Christmas Island, as part of the Northern Territory, to take off and never be seen again, Senator Conroy. But, to me, the worst example of how Australia, through the seventies and eighties, had given up on space was that we could, willy-nilly, destroy two launch facilities and wreck them when, as the Russians I met when they came here in the mid-nineties said, with little adaptation they could have been used again to launch rockets from Australia.

You also can see at what is called the ‘range head’ in the Woomera area large launching pads, block houses and command centres. Even in the mid-nineties one of the launch centres was kept in working condition by the Royal Australian Air Force. The equipment was there; the only thing lacking was the commitment. I remember quite a few years ago an expert in the Indian space program coming to Australia and thanking us profusely for ending our space program in the early seventies under the McMahon government. We sold off, at giveaway prices, the tracking equipment and other equipment that was at Woomera. The Indians bought it dirt cheap, took it to India and now use it as part of their space program. They can now launch their own rockets into space. There is a sad saga of missed opportunities in Australia from the early seventies through to the very late eighties, when it became clear that some of us in government and some commercial interests could put it back together.

One of the old sayings we have in Australia when something is not too difficult is that it is not rocket science. I can assure you that you do not have to be Albert Einstein to build a rocket that could launch a satellite into low earth orbit or even geostationary orbit. Certainly it is costly, certainly it is complicated, but it is not as complicated as we are led to believe by the sights from, say, Cape Canaveral in America and the massive space programs the Americans run. That is another aspect that is often confused. Some of the bureaucrats in Treasury and Finance that I ran up against when I was minister thought that a minister in the Australian government who had an interest in space wanted to develop the equivalent of NASA in Australia and spend hundreds of millions, if not billions, of dollars. You can launch a rocket with a low earth orbiting satellite for a matter of a few million dollars and the agreements with the Russians show that you probably can build these rockets for less than $10 million and put two or three small satellites in them for low earth orbit. You can even buy from the Russians a much larger rocket for geostationary orbit.

It is not expensive. What is expensive is the cost to the current account of this country of buying satellite services from other people. Billions of dollars a year go out of this country to buy the services of satellites and other people’s rockets because we do not do it. We spend directly $2 billion or $3 billion a year and then access telecommunications from someone else’s satellite. Even our Department of Defence has to use satellites owned by other commercial operators. We recently had the argument in the press that if SingTel buys Optus they will get access to the satellite that has our defence department communications signals on it. SingTel is partly owned by the Singaporean government. In our own national interest, in our defence interest, I cannot see why Australia should not have a capacity to launch rockets to put up communication satellites for our own defence forces. I cannot see why we cannot launch satellites from Australia to provide commercial services for Australians, whether they are telecommunications services, whether they are broadcasting services or whether, even more importantly, they are environmental monitoring services. One of the projects Kistler wants is the provision of security monitoring services for Australia.
Other companies want to photograph the earth’s surface and use various technologies to explore for minerals. It is much cheaper to do this from a satellite. It is much cheaper to monitor, say, overgrazing in the pastoral regions of Australia from a satellite. You can get accurate photographs. Global positioning is another major new area. We are buying all those services off someone else’s satellite at full cost to our current account deficit.

This is not a matter of some airy-fairy bunch of lunatic scientists with a wish list to launch satellites and rockets from Australia; this is about economic development for Australia, it is about economic development in our regions and, above all, it is about our own economic security and our defence security. I am disappointed that for 20 years Australia has been out of the space activities area. We have plenty of scientists in Australia who have full qualifications to work in this industry. They not only have qualifications to build the rockets; they also have qualifications to make various satellites with various adaptations. If we are looking for good, value added jobs for young Australians the space industry is one industry that can provide them.

This bill is another small step forward. I want to say as the minister formerly responsible for the space program that I am delighted that the government have continued with these activities. I am delighted they have made a commitment to infrastructure on Christmas Island. I hope the Kistler project and the other projects at Woomera can proceed. I do not claim to be technically proficient in this area, but the advantage of Christmas Island is that as it is so close to the equator rockets and satellites are able to be launched on an equatorial orbit at the most efficient cost. Woomera is very suitable to launch what are called polar orbit satellites, which go over the north and south poles. Woomera, with empty ground all around, also has the advantage that there is not a risk, if something goes wrong, of lobbing a rocket or a satellite on a nearby town. Both Christmas Island and Woomera have real advantages. With what the government are doing and with what the private sector is starting to do, I say to all governments of all persuasions: this is not an issue that you can turn away from and say, ‘We don’t have to be involved,’ or, ‘It’s too expensive.’ It is already expensive for Australia because of the billions of dollars of income that we are missing out on. Instead, we are paying the money out to somebody else. This is an example of why we ought to be the knowledge nation and the clever country. We ought to be able to launch our own rockets with our own satellites or provide those services to the many other countries and corporations who believe that this will be a very useful industry to have solidly based in Australia.

Senator STOTT DESPOJA (South Australia—Leader of the Australian Democrats) (4.45 p.m.)—I rise on behalf of the Democrats to support, in some respects cautiously, the Space Activities Amendment (Bilateral Agreement) Bill 2001, which makes amendments to the Space Activities Act 1998, to which Senator Schacht referred. As I recall, Senator Schacht, Senator Minchin and I were the senators involved in that debate a couple of years ago. As South Australians, we had a particular interest in that legislation.

The legislation provides for regulations that will give effect to certain aspects of the agreement between Australia and the Russian Federation signed in Canberra in May this year. The agreement relates to the cooperation between our two countries in space activities for peaceful purposes. I recall that during the debate in 1998, while there was cross-party support for fostering support and resources for the space industry—and it is certainly something that the Democrats have watched with interest and keenly debated as an area that we should be more involved in and more excited by—there were also quite a few unresolved issues such as liability and whether or not we should be able to put fissionable materials in space. It was a good debate, but I think there are still some unresolved issues.

The bill provides a legal and organisational framework for the transfer of space technologies, equipment and expertise to the Australian commercial space launch industry. It will also authorise the making of regulations that will then proceed to imple-
ment in detail the treaty between Australia and the Russian Federation. This is necessary in order to protect a number of aspects of the proposed arrangement. Included in the treaty are the protection of the intellectual property and some of the physical property that is involved with the Russian launch facilities and the nature of the dual use technology that is involved in space activities. There are also issues with duty and import costs, both into Australia and into Russia, that need to be eliminated in order to have a cost-effective industry. It is a requirement of the Russian government that their space related imported goods and equipment are duty free.

Currently, there are four companies interested in using Australia as a base for commercial space launch facilities. Two of these companies intend to use Russian technology. The most advanced proposal involves the Asia Pacific Space Centre plan, which will be based on Christmas Island and will use Russian technology. Senator Schacht referred to this in his remarks.

The Democrats wish to register their concerns about the Christmas Island project on environmental grounds. We understand that, while Environment Australia is satisfied by the environmental assessment, there do exist dissenting views about the operations of the APSC and the attendant environmental impact on Christmas Island. As already mentioned by some members in the House of Representatives, in an article in the Sydney Morning Herald on 25 June this year Mr Warren Nicholls, an environment consultant, has labelled the environmental impact statement for the launch centre as ‘shoddy’. In reference to the water supply on Christmas Island, Mr Nicholls is quite explicit as to the impact of a ‘spill’—presumably fuel. He states:

The water supply on the island is a critical issue and if there was any spill either while transporting stuff there or during the launch it could go straight into the water supply—in which case the island’s finished.

On the other hand, Mr Nicholls was equally concerned about the serious impact of noise pollution from a rocket launch on the many native species that inhabit the island’s fragile community. Noise pollution creates a serious threat to the island’s native species. Therefore, the Democrats call for further environmental assessment of the impact of the project before it proceeds.

Minister Minchin has made much of the potential benefits of this industry. Based on estimates that the industry will achieve 20 per cent of the international launch market, Australia can expect $2.5 billion to be added to its balance of payments until 2010, not to mention the several thousand new jobs that would be created over that same period. I acknowledge that many of those would be in regional areas, which is no doubt of particular interest to the relevant minister here today, the Minister for Regional Services, Territories and Local Government.

However, there are suggestions that there is already an oversupply in the satellite launch market worldwide. Indeed, the projected supply of commercial space launches far exceeded estimates of demand over the coming decade, according to Mr Bruce Middleton, the Managing Director of Asia Pacific Aerospace Consultants, at the ninth Australian International Aerospace Congress. Indeed, Mr Middleton claims that the four space launch proposals will have difficulty making a profit. In such a case, it would be difficult for those economic benefits to be anywhere near the magnitude of the government’s claims.

Another concern that the Democrats have had throughout this debate is the issue of Commonwealth liability: how much is the Commonwealth liable for in the event of an accident? I understand that the calculations for maximum probable loss, for insurance purposes, are quite extensive. There are three basic criteria for choosing the flight path with the lowest practicable risk: will there be any risk to human life; will there be any significant damage to property through the multiplier effect; and are there any uninsurable specific sites?

We note that, in calculating the safety envelope of any particular launch or, conversely, the risk level of any launch, our regulations have been based on FAA regulations in the US, which replace the former NASA regulations. We have been assured that these regulations are rigorous in esti-
mating the risks during each phase, demonstrated by the very robust safety record in the US. I would like to draw the Senate’s attention to a fact that I do not think has been raised previously: all rocket launches, with few exceptions, occur in an easterly direction, owing to the direction of rotation of the earth. Therefore, launches from Florida and, indeed, Japan and Russia or from Guyana in South America occur over vast expanses of open water. Of course, launches from Christmas Island would also be in an easterly direction. However, except for a very narrow corridor, significant amounts of land potentially lie in the path of a launch, being the Top End of Australia, the archipelago of Indonesia or West Papua and PNG further to the east. This is not to mention the concerns of the offshore oil and gas industry on the North West Shelf off Western Australia. So while the risks have been calculated with a threshold of an incident of only one in 10 million—whether that be human life or physical property—there is nonetheless a risk.

We must remember that rocket science is not perfect; indeed, all science is necessarily based on assumptions. One has only to take a look at the respected plane manufacturer, Boeing. Boeing’s Delta class rockets have not proved to be reliable. A recent Boeing Delta IV rocket’s failure has been blamed on a faulty part. The Ariadne 5 rocket also suffers from unreliability. To be fair, the Russian launch technology that will be used in two of the four proposals is superior and proven.

Rather than providing prescriptive guidelines as to the necessary requirements and considerations to ensure that any particular launch will achieve the lowest possible risk, the onus is completely on the flight operator: that is, the operator must convince the regulator that the safety of the launch, with regard to people and property, is at an acceptable level. This would typically be done using cost-benefit analysis.

I would like to point out that this is also a commercial operation and, with some doubt over the commercial viability of the Christmas Island project, there will be further incentive for the operator, APSC, to ensure their insurance premiums are as low as possible—that is, to ensure a lowest possible maximum probable loss. This in turn means that, in the event of a catastrophe, the Commonwealth’s liability will necessarily be greater. I hope the minister is completely satisfied that the level of Commonwealth liability is the absolute minimum possible.

I understand that the level of technology transfer from Russia to Australia will be minimal in the early stages of the partnership but that there is the potential for this to increase further down the track. This is an excellent opportunity for Australia to consolidate its place in this rapidly growing high technology and high value industry. However, we should not just become users of these new technologies in the way, for example, we are in the ICT industries—we are very good users but not necessarily producers. We must foster innovation to ensure that we develop our own intellectual capital in the space industry.

The Democrats therefore urge the minister to ensure that the development of Australian expertise is encouraged at every step. We must be more than simply a real estate agent for the Russians; we must also be able to benefit from their experience and expertise in space launch technology. With those concerns mentioned—and with some caution—we do support the legislation and commit to the record again our strong support for developing these kinds of cutting edge new technology industries.

Senator Mackay (Tasmania) (4.54 p.m.)—Senator Stott Despoja has covered a number of things that I was going to refer to in my speech, and I congratulate her on that contribution. The opposition, as indicated by my colleague Senator Schacht, supports the Space Activities Amendment (Bilateral Agreement) Bill 2001, amending the Space Activities Bill 1998. The Bills Digest outlines the purpose of this bill. This bill permits the operation of an intergovernment agreement between the government of the Russian Federation and the Commonwealth that would facilitate the import of Russian space technologies for possible launch from Australia. It provides for the making of regulations between the Australian govern-
ment and the Russian Federation in relation to the field of exploration and the use of outer space for peaceful purposes.

It is essential that this bill provide the making of regulations in order to protect the intellectual and physical property involved in the space industry, particularly the Russian launch facilities proposed for Australia’s IOTs—Christmas Island in this case. It is important that we have regulations that are fair and reasonable and that protect Australian citizens from anything that may arise from the malfunction of a satellite launch.

This is the first time that the Russian Federation has signed an agreement of this nature with any other country. The agreement, which was signed on 23 May, clearly shows that Australia has the appropriate geography for such an endeavour. Australia can play a very significant part in this global space industry and it can gain significant benefits from being part of such an industry. This is where any government needs to pay particular attention. Our industrial sector has the potential to play a significant role here and capture some of the benefits from the space industry. Investing in R&D would be at the forefront of that—something that this government has not, to say the least, excelled at in recent years.

I would like to highlight the fact that the space base has the potential to be a lifesaver for Christmas Island, where the satellite launch facility is set to be built starting this September. As the shadow minister for territories, I am fully aware of the conditions on Christmas Island. Unfortunately, I have not been able to go there because of the provisions, until recently, of the Remuneration Tribunal—which is another interesting story in itself. Christmas Island is apparently considered as being overseas, so shadow ministers cannot travel there, nor can they use their study money because it is not regarded as overseas travel! So here you have a classic catch-22. I understand that recently the Remuneration Tribunal has reconsidered that, so maybe I will get a chance to go at some point.

Christmas Island has gone through a rocky time since 1998 when the Christmas Island Resort Casino was closed down and taken into receivership, leaving around 300 workers on the island without jobs. Many of those workers are still waiting for their entitlements. Since that time, the new owners of the resort, Soft Star Pty Ltd, have not reopened the resort as a casino, despite stating that they would reopen within 18 months of owning it. That time is clearly up. The resort has not reopened and that has frustrated the community of Christmas Island. Soft Star Pty Ltd, by the way, is the sister company of the Asia Pacific Space Centre, the company that will build the satellite launch facility.

The Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald, has clearly stated that this space base will ‘underpin the economic future of Christmas Island’. Considering the impact on the economy and the loss of around 300 jobs on the island at the closure of the resort, that underpinning stated by the minister is a godsend. This is a very costly endeavour, costing around $800 million. Let us not forget that the federal government’s contribution of $100 million, which was announced after the budget, is coming out of the government’s contingency reserve—something which was highlighted by my colleague Mr Tanner in the other place. Clearly the government has come up with this package of $100 million for the Asia Pacific Space Centre because of the possibility that they may go to another country. That is probably the reality. I am advised that the $100 million will pay for upgrading the island’s runway, new port facilities and the construction of the spaceport’s mission control.

However, I would like the minister in his response to give the Senate a breakdown of the $100 million and what it will be used for. Here I would refer senators to the House of Representatives Hansard of Thursday, 9 August where Mr Peter Slipper, in the Public Works Committee reference, indicated:

The estimated cost of the common-use infrastructure upgrade is $68.6 million.

I am interested to find out exactly how much is taken up. This was highlighted by Mr Warren Snowdon in the House of Representatives, and I quote from Mr Snowdon’s contribution to the debate on the reference to the Public Works Committee:
Of interest to me is the fact that the government has announced expenditure of up to $100 million in connection with this space facility, yet today we have seen a reference to the Public Works Committee of works estimated to cost only $68.6 million.

Mr Snowdon then asserts:
I can only assume that the other $32.4 million, which is not accounted for in this reference, is money that will be given to the Asia Pacific Space Centre—the proponents of the launch facility. If this is the case, it leaves open the question as to what the money is going to be used for. It is important that we know exactly what this money has been appropriated for. We have identified the $68.6 million, but we do not know what the remaining $32.4 million is to be used for.

Given that Mr Slipper indicated the amount of $68.6 million and that the entire appropriation out of the contingency reserve is $100 million, I ask the minister, in his response, to clarify the breakdown.

Probably the only major difficulty in relation to this proposal—or, at least, the only one that has been voiced to me by people on Christmas Island—is the lack of consultation. The community have indicated to me that they are frustrated by the lack of response from the Commonwealth when they have asked questions about the Asia Pacific Space Centre proposal. In fact, I am advised that the islanders found out about it after the government had made the announcement. Whilst many people on the island will benefit from the project, many more simply want to be informed by the government of exactly what is involved with having such a facility on the island. I think that is pretty reasonable. They have indicated to the opposition that they are not particularly interested in finding this out from newspapers, many of which take quite a long time—with tyranny of distance being a major factor—to get to the island, and that they want to know, first hand, precisely what is involved.

I have had constituent letters from Christmas Islanders who are worried about some of the negatives which may come from the space base and—as, I think, Senator Stott Despoja indicated—both water and noise have emanated as being major concerns. The government has a role to play in reassuring them on the concerns that they have raised and, as was indicated before, environmental matters should be of a concern to us, as they are of concern to the community on Christmas Island. As I understand, newspapers have also picked up on this matter, with reports about water supply on the island identifying a critical issue. It is important that the government clarify today to the islanders exactly what is envisaged, and it is important that the government clarify which issues the islanders have legitimate concerns about and which ones are simply resulting from a lack of communication.

Time is running out, as APSC want to start the construction in September this year. The space agreement between the Russian Federation and the Commonwealth government, signed on 23 May 2001, established a formal framework for space cooperation. However, I am advised that, after three months have passed, there has not been one—and I stand to be corrected—open forum or public consultation convened by either the operators of the satellite launch facility, APSC, or the federal government.

The Christmas Islanders obviously have mixed views about the proposal. Clearly, they are not particularly well informed, and it is critical, in a project of this magnitude, that as much information as possible is provided. Considering that, as Senator Ian Macdonald has estimated, there will be 400-odd jobs during the construction phase and more than 500 jobs when the satellite launch facility is in operation, it is appropriate that more consultation occur. The project will be a major short and long-term job creator. I ask Senator Macdonald, in his response, to indicate what community consultation the government and APSC will be undertaking or have undertaken—in case I am incorrectly informed—to ensure that the people of Christmas Island are aware of all the issues surrounding this project. Of course, we support industry development on Christmas Island. It is clearly needed to boost the island’s social and economic future. However, the community involvement has to be at the forefront of that endeavour.

I also raise, inter alia, the important role Phosphate Mining Company of Christmas Island Ltd has played in this whole process.
The company is currently the largest employer on Christmas Island, as it employs 180 people. The launch facility is to be built on land that is leased by Phosphate Mining Company, and the company has been very supportive of this proposal and deserves to be given public credit for this. It has a long history on the island, it is community based and it has been very supportive to the community on the island.

In summation, it is clear that there are substantial benefits to be gained for the community of Christmas Island from this proposal, as there are for the whole of Australia, and I think it will be an exciting time for Australia and for Christmas Island. Australia will be able to demonstrate our capability in the launch areas as a result of this legislation. We support the legislation and we look forward to the increasing development of Australia’s space industry. In conclusion, I ask Senator Ian Macdonald to clarify these comments of Mr Slipper:

The estimated cost of the common-use infrastructure upgrade is $68.6 million.

Mr Snowdon indicated, in the House of Representatives, that this would seem to leave $32.4 million unaccounted for. I ask the minister to take the opportunity in his response to clarify precisely the breakdown of the $100 million.

Senator CROSSIN (Northern Territory) (5.06 p.m.)—The Space Activities Amendment (Bilateral Agreement) Bill 2001 is significant not only because it will permit the operation of an intergovernmental agreement between the government of the Russian Federation and the Commonwealth that would facilitate the import of Russian space technologies for possible launch from Australia but also because it plays a major role in providing a space base to be developed and used on Christmas Island. I draw to the Senate’s attention the fact that Christmas Island comes within the federal electorate of the Northern Territory.

As a background to this legislation, representatives of the Commonwealth and the Russian state signed the agreement between the government of Australia and the government of the Russian Federation on cooperation in the field of the exploration and use of outer space for peaceful purposes. The signing followed a saga of various proposals for the launch of foreign space rockets with satellite payloads from a number of proposed local facilities. This agreement also provides for the exemption of imported specialised space related goods and equipment from an Australian duty of up to five per cent.

The Sales Tax Legislation Amendment Bill, which passed through the parliament in early 1999, involved an exemption for space objects such as satellites launched from Australia. Australia had maintained a space agreement with the former Soviet Union. The Agreement Between the Government of Australia and the Government of the Russian Federation on Cooperation in the Field of the Exploration and Use of Outer Space for Peaceful Purposes, dated 1 December 1987, concerning cooperation in the field of exploration and the use of outer space for peaceful purposes, is to be replaced by this new agreement.

This legislation will involve an amendment to the Customs Tariff Act 1995, with the minister to authorise project concessions under guidelines to be developed. The provisions of the bill amend the Space Activities Act 1998 to provide for new regulations to give effect to the provisions of this agreement. Regulations made under section 79A should enable the minister to nominate organisations to carry out specialised activities. Item 4 of schedule 1 of the bill inserts a new part 5A in the Space Activities Act 1998 that contains an English text version of the intergovernmental agreement with Russia.

Soon after the budget was announced this year, the federal government provided $100 million for a new facility on Christmas Island—the world’s first commercial astrodome from where Russian built Aurora rockets will be launched. Christmas Island, as people would know, is 2,500 kilometres west of Darwin and 500 kilometres south of Ja-
karta. As my colleagues have said, the launches are expected to start as early as 2003, with up to 15 launches per year, each costing $160 million. This facility is being built by the Asia Pacific Space Centre, which is owned by the Australian millionaire David Kwon, in association with his Russian partners and the federal government. We have been led to believe that this will generate up to 400 jobs during the construction phase and up to 550 jobs when fully operational.

An article in Aviation Week & Space Technology on 28 May said, in part, that projections show a sustained market for the launch of at least 30 commercial satellite missions per year but also show little growth to support multiplying launcher developments and a dwindling insurance reserve. The article goes on to say that the projected commercial market cannot sustain all the launch systems that are here today, let alone all the launch systems that are going to be in place by the end of year. On behalf of the Christmas Island constituents I represent, I would want a guarantee from the minister that the expected launches per year that have been promised by APSC will in fact come to fruition. We know that to date Mr David Kwon has not been too good at keeping his word when it comes to one particular casino on the island. I draw the Senate’s attention to a press release from Minister Macdonald dated 23 June, in which he says:

The Allen Consulting Group estimates the APSC project would increase Gross Regional Income to Christmas Island by $33 million per annum, with a net gain to Australia of $1.3 billion.

This is certainly welcome, and no doubt some people on Christmas Island would look forward to this influx of income. The minister’s press release goes on to say:

I am also very pleased that Mr David Kwon, APSC’s Managing Director, has today—that is, 23 June, nearly two months ago—announced that he will reopen the Christmas Island resort which means more jobs.

We are still waiting for that resort to be opened. In fact, people on Christmas Island have been waiting many months for that resort to be opened. I would say to them, ‘Don’t hold your breath; you might have more luck getting more boatloads of illegal immigrants to the island than you would getting a job at the Christmas Island resort at this stage as it hasn’t opened.’ The casino side of that resort definitely stays closed. People on Christmas Island were hoping that the casino would generate most of their jobs. We would like to be satisfied, when we hear discussions of 15 launches a year happening at a facility being built by APSC, that we have guarantees from the minister that this will be the case. An amount of $100 million was given to upgrade the facilities on the island and we know, as the minister has said, that this will pay for expansion of the island’s runway, and that new port facilities will be constructed and there will be construction of the spaceport mission control.

As we know, infrastructure on the island is extremely poor. The number of times I have been to the island and the number of inquiries I have been involved in through the Joint Standing Committee on the National Capital and External Territories have highlighted to me—and it has been highlighted by the Grants Commission report into the facilities on Christmas Island—that more than $100 million is needed to bring the infrastructure of Christmas Island up to speed. It goes to the number of aeroplanes that can fly in and out each week, the kind of airport that they have and the need to upgrade the runway, the telecommunications system and so on. While we welcome the $100 million to upgrade infrastructure on the island, we know that it is nowhere near enough to bring the island into line with what they need, according to the Grants Commission report that was produced some years ago.

It is also important that the community be satisfied with and consulted about the way in which these matters are being or will be developed. As our shadow minister, Sue Mackay, highlighted in her contribution to this debate, there are mixed reactions on the island to this space base. While on the one hand we have some of the community quite pleased to see that this space base is going to go ahead and that the infrastructure will be there, there are a significant number of people who are dissatisfied with the way in which consultation by this minister has occurred. They want, in fact they demand, to be
included in the consultations about the development of this infrastructure.

We have here a minister who flew to Christmas Island with Senator Minchin and made this announcement about a space base being built on the island, without prior advice to the community that he was not only coming but that he was making this announcement. In fact, the shire president, Andrew Smolders, was advised about the announcement by telephone after the ministerial party had arrived on Christmas Island. This is a government that continues to ignore the legitimate, democratically elected shire council of Christmas Island and does not give even the president the courtesy of a prior warning about the announcement, let alone involve that president or the council in activities that are happening there. Minister Macdonald has shown a great reluctance to consult with the council and to communicate or negotiate appropriately with the community of Christmas Island. This is a minister who has effectively refused to acknowledge, as I have said, the importance of the shire council as the democratic forum which represents the whole community of Christmas Island. Although you might not want to accept the fact, Minister, it does not only represent the chamber of commerce. That is only one group on the island. There is much broader representation on the island and those people expect to be consulted by the federal government on which they rely for their funds and development of their infrastructure.

When questions have been raised by the community of Christmas Island about the Asia Pacific Space Centre proposal, there has been a great degree of frustration about the lack of response they have received from the Commonwealth. As I said, there are mixed views on Christmas Island about the proposed APSC project. Those views are mixed because people are concerned primarily that they have not been provided with appropriate information by the company or by the government. Perhaps those mixed views would not be there and perhaps there would be a cohesive view and a degree of excitement or even a welcoming view about the development of this project if the shire council and the people on the island had been consulted properly.

It is a small community that has been affected by the closure of the resort facility which, as everybody should be aware, is coincidentally owned by a sister company of the Asia Pacific Space Centre. Promises were made when Soft Star became the owner of the resort—Soft Star being the name of the sister company related to the APSC—that they would have the resort up and running as a resort and as a casino within 12 months. As we have highlighted, they gave that commitment again to the minister no less than two months ago, on 23 June.

The $100 million was not in the budget. It came out of the blue. We had a budget in early May that did not include any reference to $100 million going to the Christmas Island space centre. Suddenly, we have $100 million pulled out of the back pocket, out of the blue. The announcement that the federal government was going to provide this money for infrastructure for this project took a lot of people by surprise. It came less than five weeks after the budget. We now know, after a lot of digging and prodding, that this money is coming out of the budget’s $919 million contingency reserve, but it is an allocation of money that has not been scrutinised by the parliament. It was not included as a line item in the budget and quite cleverly was able to elude the estimates process, since people who might have asked questions about this money would not have been aware that it was about to be allocated, because it was allocated after estimates finished.

The contingency reserve, with an allocation of $919 million for 2001-02, is, as I understand, designed as an allowance to reflect anticipated events that cannot be assigned to individual programs in the preparation of the Commonwealth budget. The government’s own budget papers said the reserve should not be used to fund any new policies. So we have a federal government whose own budget papers suggest that the contingency reserve should not be used to fund any new policies. Am I led to believe that this government did not know about this agreement with APSC and the proposal to build a space centre when the budget was being handed
down? We are all being led to believe that, although we have had a federal budget handed down and have gone through the estimates process, this matter was of such importance, such significance, that it was not part of any anticipated events in the week the budget was handed down. Suddenly, five weeks later, we have got to find $100 million to fund a space base on Christmas Island.

I do not believe for one minute that this project was not in the pipeline when the budget papers were being formed and I do not believe for one second that Mr Kwon and APSC began any discussions at all with this government after the budget was brought down. I actually believe, and I probably have good cause to believe, that this project was signed, sealed and delivered well before the budget papers were brought down and that it was always the intention of the government to use these reserve funds. Perhaps the minister responsible might be able to provide us with an answer as to why that is the case. As I said, there was no mention of this funding in the minister’s media release regarding budget funding for the Indian Ocean territories and the projected payments for 2001-02.

Concerns have been raised about the environmental matters relating to this proposal. In an article in the Sydney Morning Herald on 25 June this year, titled ‘Manna from the heavens as we join space race’, Mr Warren Nicholls, a freelance consultant used by the Asia Pacific Space Centre, is quoted as saying that the environmental impact statement for the launch centre was ‘shoddy’. He goes on to say:

The water supply on the island is a critical issue and if there was any spill either while transporting stuff there or during the launch it could go straight into the water supply, in which case the island’s finished.

This would of course cause grave concerns to the residents on Christmas Island. They have many questions about these statements that they believe are still unanswered. The article goes on to say:

Noise from rocket launches was the main threat to fragile species—

I assume he is referring to the unique species of birds on the island—

And a noise demonstration by APSC was “hopeless”... “just a joke”. “Where you have so many species that are endemic to the island, you have to be extra careful.”

Recommendations from the Minister for the Environment and Heritage, Senator Hill, in accordance with section 931 of the administrative procedures of the Environmental Protection (Impact of Proposals) Act 1974, state that there are 65 conditions attached to this proposal. Even Senator Hill—one of your own colleagues, Senator Macdonald—has recommended that more than 65 strict environmental conditions for the proposed satellite launch facility be attached to this proposal. Senator Hill’s press release of 10 May states:

In making these recommendations Senator Hill noted that their implementation might in some cases require that launch activity at the proposed facility be halted temporarily or permanently if monitoring detects significant negative impacts upon the environment.

One would have to ask the question of the minister responsible for overseeing this space project: what consultation has occurred with his colleague Senator Hill and what consultation has occurred between the shire council and Senator Hill’s office?

We know that the launch facility is to be built at South Point on Christmas Island. This is all under the mining lease. The Phosphate Mining Company—members of which I have just met this week in Parliament House—has had to make arrangements with the Commonwealth over this land and has had to reschedule its mining operations so that it could mine out the areas to ensure that they are available to the space company. There are companies on the island that are more than accommodating of this proposal. In fact, if you look at what the Phosphate Mining Company is undertaking, it is going out of its way to ensure that the area needed for the space project will be mined in order to accommodate this proposal. Yet, there are quite a few residents on Christmas Island who are doubtful the project will ever get off the ground. As I said, it is not only a matter of getting the project off the ground but having 15 launches a year in a context of nearly three years in which we have seen the Christmas Island casino being closed down
and the resort being closed down. The minister will stand up and tell us that the resort is open. It is only open for bed and breakfast, with a limited number of rooms each night; and there are no restaurant facilities. There are no casino facilities available. We are waiting for matters to be settled so that the workers at the Christmas Island casino can be paid the proper entitlements that they were due many years ago. If this government were sincere about looking after the people on Christmas Island, it would have taken it on as a liability and paid it out long before now. (Time expired)

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (5.26 p.m.)—The Space Activities Amendment (Bilateral Agreement) Bill 2001 is a very important bill for Australia’s space future. It is a bill which the Democrats and the Australian Labor Party have indicated their support for. There is a speech to conclude the second reading debate which the duty minister was to deliver. I happen to be here on duty and I was going to do that as the duty minister. I have not come prepared for a debate on Christmas Island, but I will take the opportunity, for which I am grateful, to discuss some of the issues that have been raised in relation to Christmas Island because that is my direct responsibility as minister for territories.

I briefly indicate that the bill before us amends the Space Activities Act to provide a framework for implementation of a specified space cooperation agreement. The agreement provides for a legal and organisational framework for the transfer to Australia of sophisticated launch vehicle technology, information and other space related technologies. It will also facilitate Australian access to Russian technical expertise and enhance collaboration between our two countries in scientific research and technological development. The new regulation making power provides a mechanism to enable both parties, as well as public sector organisations that are not parties to the agreement, to voluntarily access it. In accordance with the new regulations made under the new power, the Minister for Industry, Science and Resources will be able to nominate organisations to participate in the agreements, subject to agreement with the Russian government.

This bill is adequately described in the second reading speech and in the explanatory memorandum. I do not think that I need to go into any greater detail than that. Suffice it to say, the Minister for Industry, Science and Resources, Senator Minchin, and the parliamentary secretary to Senator Minchin, Mr Warren Entsch, have done a fabulous job in getting Australia into this stage of its development of its space industry, and I congratulate both of them and the government generally.

But I despair when I hear the contributions that have been made by the two most recent speakers for the opposition in this debate. I guess I can excuse both Senator Mackay and Senator Crossin, because they have never been in government and they do not understand what government involves. It is not a game; it is a serious matter. I am a little disappointed that Mr Snowdon in the other place made certain remarks; as a former parliamentary secretary to the minister for territories, he should know a little bit more about how government works.

Mr Acting Deputy President, let me tell you about Christmas Island. It is a territory of Australia, and it is in a difficult situation. There is one form of economic activity on the island, and that is the phosphate mine. It is very well operated these days by Phosphate Resources Ltd and the board of directors of that very progressive company, which a couple of years ago won Australian trade awards for its exports. However, phosphate is a finite resource and it will run out at some time. When it does, what are we left with? We are left with a very special island environmentally and a place that a lot of people have made their home, but one with absolutely no economic activity at all.

The former Labor government thought that you could fix every ill on Christmas Island by putting a gambling casino there. They worked to put the casino in, and for a little while it did work. But eventually it became bankrupt, it went into liquidation, because the customers were not coming. In spite of efforts at the time—this is in the time of the Labor government, so I can only go on
what I have read about it— the customers stopped coming, the resort went into liquidation, there were fights between its various owners and it closed up.

Senator Crossin—It was in 1998; it was in your time.

Senator IAN MACDONALD—We are then left with the situation where some people think that the whole future of Christmas Island depends somehow on waving a magic wand: suddenly the casino will open and everything will be rosy. It is not like that unfortunately, Senator Crossin. If you paid some attention to the area that you are supposed to represent, you would know that the solutions are not that simple.

Senator Crossin—Why did you sell it off to someone who does not want to open it as a casino? Why didn’t you sell it to ComsWinfair?

Senator IAN MACDONALD—The resort is open, in spite of Senator Crossin’s comments that it is not. It is open today, and I and many other people have stayed there. You probably stayed there when you were over there the other day, did you? It is operational. That shows how much this alleged representative of that area knows. The resort is open. The casino is not opening because nobody wants to lose their money. Senator, if it is such a good thing, why don’t you get a consortium together and put your money into it and open the casino? You will not do it because you know, like everybody else—

Senator Mackay—I rise on a point of order, Mr Acting Deputy President. I would ask you to ask the minister to direct his comments through the chair.

The ACTING DEPUTY PRESIDENT (Senator Murphy)—Yes, I was about to ask the minister to do that. Having been raised through a point of order: Minister, can you please direct your remarks pursuant to the standing orders.

Senator Ian Campbell—Mr Acting Deputy President, I rise on a point of order. I did not want to take a point of order while the minister was speaking, but I have been trying to listen very carefully to what he has been saying and it has been impossible to hear due to the incessant and consistent interjections from, firstly, Senator Mackay, then Senator Schacht and then Senator Crossin. I did not draw them to your attention because they were so loud that I thought you might address the matter. I ask you to ask those senators opposite to abide by the standing orders.

The ACTING DEPUTY PRESIDENT—I am sure all senators know the standing orders. I call the minister.

Senator IAN MACDONALD—We have one opportunity to assure the future of Christmas Island and it is something where Christmas Island has a natural advantage: it is close to the equator. There was a proposal by a very courageous, forward-looking and progressive Australian, Mr David Kwon, to put this space base there. He is putting a lot of his money into it—doing much more than those opposition senators who can only nitpick and pick little technical arguments to try to put this procedure into disrepute. Senator Crossin says that she supports this; at least she should understand that without this space base it is very difficult to assure a prosperous and profitable future for the people of Christmas Island. That is why the government has been working with Mr Kwon and the Asia Pacific Space Centre for nearly three years to try to make sure that this facility goes ahead. While Senator Crossin says yes, she supports it, and Senator Mackay says yes, she supports it, they then turn around and nitpick—for example, saying Mr Kwon cannot keep his word. Great, Senator Crossin: that will encourage investment where we need it!
work that has been done by this government for the people of Christmas Island. Mr Acting Deputy President, I am saddened that you have an opposition that can only knock the good things that this government has tried to encourage, that PRL has tried to encourage, that the people of Christmas Island have tried to encourage. I could go through at some length what Senator Crossin said and all her negativity, her pettiness, her technical objections to these sorts of things—

Senator Mackay—Mr Acting Deputy President, I rise on a point of order. That is a reflection on Senator Crossin: I would ask the minister to withdraw it.

The ACTING DEPUTY PRESIDENT—I do not accept the point of order.

Senator Mackay—Not 'pettiness'?

The ACTING DEPUTY PRESIDENT—No, I do not accept the point of order; I call the minister.

Senator IAN MACDONALD—We do want to make sure that this goes ahead. I appeal to Mr Beazley to pull his junior troops into line and to get them on board in 100 per cent Australian government and Australian parliament support for this proposal. The reason why this government, through a lot of very difficult negotiations, was able to make the offer it did to APSC was that APSC was about to—

Senator Crossin—Mr Acting Deputy President, I raise a point of order. The minister has implied that we do not support this project: my point of order is that at no time during our debate did we ever say that, so he is incorrect.

The ACTING DEPUTY PRESIDENT—There is no point of order.

Senator IAN MACDONALD—I acknowledge that the senator said she supported it, but then she gave a speech attacking the proposal and doing everything she could to throw cold water on this. I call upon Mr Beazley to bring these junior troops into line, so that we can get this facility which will be good for Australia and very good for the people of Christmas Island. The people of Christmas Island should look askance at the nitpicking criticism we keep getting from Senators Crossin and Mackay on this issue.

Mr Snowdon in the other place made a couple of speeches which I have to say, with some regret, that Senators Mackay and Crossin have just repeated in large paragraphs. It really shows their interest in part of it. I am disappointed in Mr Snowdon, who should know better. He has been involved in this. He went through the whole procedure when the casino went there. He knows better than most why it failed. The senators should talk to him and get some inside information on what it is all about.

This consortium had been made very attractive offers by a government in South America. Those offers were such that it was commercially attractive for them to go there. This government has been working on this proposal for a long time. In spite of the allegations—and they are only allegations by the opposition speakers—the consultation on this proposal has been enormous, and it has been going on for two or three years. I am sorry that Senator Mackay did not have the guile to be able to get Christmas Island—

Senator Crossin—The guile?

Senator IAN MACDONALD—But I have been there five times and I speak to these people all the time. David McLean, the previous shire president, was opposed to this proposal. We had a lot of discussions. For those of you who know him, David McLean is a character and is a part of the UCIW internecine wars that are always happening on Christmas Island. They are always at one another’s throats, and the position he takes depends upon what the UCIW is doing at the time. However, most of the people on the island believe and understand, as the government does, that this is the sort of proposal that can assure the future of Christmas Island. Not only have I spoken with people every time I go there—

Senator Mackay—And you’ve been there a lot.

Senator IAN MACDONALD—I answer letters that are written to me and I speak on the radio. To suggest that there has been no consultation by me is not only ludicrous and ill informed; it is false. In addition to that, Mr Entsch, the parliamentary secretary, went to Christmas Island late last year for meet-
ings specifically about this proposal with the shire president, with the president of the Chinese Literary Association and with the president of the Islamic Council. The environmental impact study done by APSC involved an enormous amount of consultation and, as environmental impact studies are, it was done by the government with the community, explaining everything that was going to happen. When an environmental impact study comes in, the environment minister is required to look at it carefully. It is a very fragile environment, and that is why Senator Hill has imposed 63 conditions, and that is why this company has accepted those conditions, and that is why this will go ahead in the very best environmentally precautionary way. That is all because of government initiatives and government keeping the environment close to mind, with the conditions imposed following the environmental impact survey. So we have done all those things. As regards the announcement, things move quickly.

Senator Mackay—They are moving pretty quick in the Northern Territory today.

Senator Crossin—The shredding machines are moving quickly up there.

Senator IAN MACDONALD—Senators Mackay and Crossin would not understand this, because they have never been in government, but you have to work quickly and you have to work depending upon what foreign governments are doing and you have to work with the market. The decision was made that the government would put $100 million into this. That decision was made one day, and as soon as possible thereafter Senator Minchin and I got on a plane and went to Christmas Island. We did not stand here and announce it. We did not go out and announce it through a press release. We did the people of Christmas Island the courtesy of going over to Christmas Island and making this announcement, and at short notice we invited everybody that we could to come along and hear the announcement. We invited all of the shire council. Regrettably, they all happened to be in Perth doing some sort of study leave at that particular time. I tried to ring Mr Smolders, who, if he has had a complaint, has not, I might say, communicated that to me since that day. I rang him and told him—at the same time that we told the community of Christmas Island—what this federal government was doing to support the island. I left a message on Mr Smolders’s voicemail machine, because I could not get in touch with him.

Senator Crossin—That’s very good communication.

Senator IAN MACDONALD—He was involved in a conference and apparently could not be withdrawn. However, when they say there was no involvement from the Christmas Island council, the shire clerk—the CEO of the Christmas Island council—was actually sitting in the room when the announcement was made, and he was fully briefed at the earliest possible time.

Opposition senators interjecting—

Senator Ian Campbell—I rise on a point of order, Mr Acting Deputy President. I am getting really annoyed by the constant shrieking, like a galah’s, coming from the other side of the aisle. I would plead with you to ask opposition senators to cease interjecting. It is impossible to hear the minister’s contribution to this debate. They were heard in relative silence. I would like to hear what the minister says, even if they do not want to.

The ACTING DEPUTY PRESIDENT—As I said before, senators should be aware of the standing orders, and it is unparliamentary to make incessant interjections. I would ask senators to take that into account.

Senator IAN MACDONALD—Time is catching up on me, unfortunately. Questions were raised about infrastructure. The $100 million that the federal government is providing to this proposal is not going to the company; it is going to public use infrastructure on the island. It will support the $60-odd million each year which this government spends in capital and recurrent funding on the Indian Ocean territories. As a result of that, Christmas Island, as Senator Calvert well knows, has one of the best hospitals in any small community anywhere in Australia. The other facilities on the island are being upgraded as we speak. The number of housing projects on Christmas Island is a
credit to this government, to the administration and to my department. Each year, $60 million is spent on infrastructure and recurrent expenses on that island, and then you have Senator Crossin coming in here and saying nothing is being done. This $100 million will, as has been indicated, go to extending the runway, putting a non-swell port on another side of the island and building a road from the port to the site.

We, as a government, have to be careful of what we say is being put into particular projects because this will be an open tender process for these things. If we tell the tenderers exactly what we are expecting to spend on any particular item of infrastructure, you ruin the tender process. Unfortunately, Senators Crossin and Mackay, having never been in government, do not understand that sort of thing. So I will not be telling you exactly what is going to what, because we want to have an open tender, we want to get the best deal for Australia and we want to get the best deal for the people of Christmas Island.

There is talk of some other money, beyond the $68 million of the $100 million the government has committed. As the project proceeds, that money will go into a number of related infrastructure items, such as weather bureaus, telemetry and a space research centre to be set up on the island to make Christmas Island one of the world’s leading facilities for space research. That is going to happen on Christmas Island, within Australia, and you are trying to stop that, Senator, with your nitpicking and criticism.

The ACTING DEPUTY PRESIDENT (Senator Murphy)—Direct your remarks through the chair.

Senator Crossin—On a point of order, the senator is continually misleading the Senate by misrepresenting what I have said.

The ACTING DEPUTY PRESIDENT—Senator, resume your seat. There is no point of order.

Senator IAN MACDONALD—We hope this will become world leading edge space research on Christmas Island, bringing scientists from the world over to Christmas Island. This is what the government has done. Senator Minchin, Mr Entsch and, if I may say with some respect, I, as well as the PRL and Mr David Kwon, have done a fabulous job of getting this where it is. Most of the people on Christmas Island understand it; occasionally the union will run around and raise all sorts of furphies about poisonous gases coming out but, by and large, most people understand what is happening, and anyone who has asked us has been fully and factually briefed on this proposal. We have done all the environment work. The Space Activities Amendment (Bilateral Agreement) Bill 2001 before us today puts in place the space regulation which will ensure the safe and profitable launch of facilities on Christmas Island.

I thank the other parties for their support for this bill. I just wish some of the Labor Party people would be as generous and supportive of this proposal on Christmas Island to make sure that the Christmas Island people do have a sustainable future.

Question resolved in the affirmative.

Bill read a second time.

In Committee

The bill.

Senator MACKAY (Tasmania) (5.49 p.m.)—I was just going to ask the minister specifically about that $68.6 million. I was not quite sure in that rant exactly what the $68.6 million was for. He also indicated that the remainder of the $68.6 million was for other things—I think he meant to say telemetry, and a few other bits and pieces. I wonder if the minister could simply itemise what the money is being appropriated for beyond the $68.6 million?

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (5.49 p.m.)—I indicated—and I thought all senators would have understood—that, because this will be an open tender process, it is inappropriate that I should deal with specific items and put specific amounts to them. Could I also repeat to the Senate that the Space Activities Amendment (Bilateral Agreement) Bill 2001 really has nothing to do with Christmas Island. I have entered the debate because, in my view, it was inappropriately raised in speeches at the second reading stage that
dealt with the Space Activities Amendment (Bilateral Agreement) Bill 2001. Were it a debate on the government’s $100 million contribution to public infrastructure on Christmas Island to help this project get off the ground, I would have come prepared with as much information as could possibly be given. For reasons that I have mentioned, the amount of information that can be given is limited. As this bill is not on that matter and as that matter is not at all related to the bill, I do not intend to answer the question further than I have already. The $68.6 million is for public infrastructure. It will be spent by the Department of Transport and Regional Services and it will be—

Senator Schacht—To do what?

Senator IAN MACDONALD—For the third time, Senator Schacht, you obviously were not—

The CHAIRMAN—Address the chair, please.

Senator Schacht interjecting—

The CHAIRMAN—Senator Schacht, would you cease interjecting. If you have questions, ask the chair when the minister has finished his address. I would ask the minister to address the chair and ignore interjections from Senator Schacht, as they are disorderly.

Senator IAN MACDONALD—And they are pretty irrelevant too, I would say, Madam Chairman.

The CHAIRMAN—I do not require any commentary either; I just want the issue addressed.

Senator IAN MACDONALD—There are interjections raised as to what the $68.6 million is. That was a question also raised by Senator Mackay. I have already explained that three times. By his unruly interjection, Senator Schacht has indicated that obviously he was not listening before and that he has little interest in this matter. I think twice already I have indicated that the $68.6 million is for a runway extension, port facilities on the non-swell side of the island and for a road from that up through the escarpment. There will be other public facility infrastructure as well. I have already mentioned it will include facilities for meteorological information on the island, which will be essential. It includes a contribution, along with the company’s, for space research facilities. It includes other infrastructure which regrettably, because this bill is not about it, I do not have the detail of.

Senator SCHACHT (South Australia) (5.53 p.m.)—I have to say I am a little surprised that the Minister for Regional Services, Territories and Local Government is not better briefed. I would have thought it axiomatic that the Space Activities Amendment (Bilateral Agreement) Bill 2001 is the outcome of an agreement signed by Australia and Russia. It details the projects that are around. Government announcements have been sung from the rooftops about $100 million for Christmas Island. I would have thought you would have had the details in here to skite about, Minister, as this is the commitment of a substantial amount of money. Had you heard my remarks, Minister, in general I supported the government and congratulated the government on making a commitment in general to develop a space launch industry in this country. As a former minister in this area, I congratulate the government on the general commitment. But that does not deny us the right to ask specific questions about the detail. When I heard $100 million I thought that sounded a bit like picking a nice round figure. You mentioned a figure of $68 million for roads, the extension of the airport and port facilities, et cetera. On my count that still leaves $22 million for somewhere else.

Senator Ian Macdonald—Thirty-two million, would you believe.

Senator SCHACHT—Thirty-two. I was trying to save you $10 million, Minister. Does that include funding for the infrastructure for the launch facility? If it does, does that mean that this consortium is the only organisation that will be able to use the launch facility or does the launch facility have enough generic application that other commercial proposals that might want to use the site on Christmas Island to launch equatorial satellites will have access to the infrastructure and, particularly, will public funding be available to build some of the launch facility? That is one question I think a simple
briefing note would have included—where the other $32 million is to be spent. I also ask: is this project—seeing that it is $100 million, a nice round figure, even though $32 million cannot be explained—going to go before the Joint Committee on Public Works of the Australian parliament? I hope it is. I presume that under the legislation that will be required, Will the Joint Committee on Public Works be able to go to Christmas Island, as it is part of Australia’s territory, to hold public hearings? It would be a natural thing to do, and to inspect the site from time to time, rather than have all the hearings here in Canberra. There are a number of questions on which you may try to provide us with a bit more information.

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (5.57 p.m.)—Thank you for those questions. Senator Schacht, if you were really interested in this debate you would have seen that on 9 August 2001 Mr Slipper moved in the House of Representatives that:

... the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report:

Proposed Christmas Island common-use infrastructure items.

Senator Schacht—Is that the full $100 million?

Senator IAN MACDONALD—Senator Mackay referred to that in her speech. Yes, it is going to the Public Works Committee, and more than two weeks ago it was announced in this parliament.

Senator Schacht—Is the full $100 million going to the Joint Committee on Public Works or only the $68 million?

Senator IAN MACDONALD—Let me repeat the motion:

Proposed Christmas Island common-use infrastructure items.

You have asked yet again: if someone else wants to set up a space facility on Christmas Island, will we help them build their space base?

Senator Schacht—No, that is not the question I asked, boofhead.

The CHAIRMAN—Order! Senator Schacht!

Senator Schacht—I asked if they can share it.

Senator IAN MACDONALD—Have you ever been to Christmas Island?

Senator Schacht—No, I haven’t, but you don’t have to have been there to be able to ask a simple question which should not stretch your imagination.

The CHAIRMAN—Order! Senator Schacht and Senator Macdonald, if you would cease your conversation across the chamber and address the chair I would be much happier.

Senator IAN MACDONALD—If Senator Schacht had seen Christmas Island he would know it is a very small island. A fair percentage of the island is in a very special national park area which will remain. The useable land on the island is relatively small in area. I can assure Senator Schacht that it is unlikely, if APSC set up there, that there will be room for anyone else. APSC is a private consortium, a profit making company, that is proposing this facility. It is not a government facility and we are not putting money into APSC. What we are putting money into is public infrastructure that can be used and will help APSC in the development of its space base. It will be able to be used by anyone else who wants to drive on that road, use that port or land on that runway. It is government infrastructure that anyone can use. So if there were to be another space base set up on the island, which would practically be a physical impossibility, they can use the port, they can use the runway and they can use the road. The other moneys that you have raised will be for the infrastructure that I have mentioned. It will be for down-range tracking equipment, for upgrading telemetry and for guidance equipment, among the other things that I have mentioned.

Senator MURPHY (Tasmania) (6.00 p.m.)—Following on from what Senator Schacht asked, article 6 of the bill, ‘Financing’, says:

The financing of joint activity conducted pursuant to this Agreement within government policy in the field of exploration and use of outer space
shall be done by the Parties in accordance with the norms and rules in force in their States ... It then says:

The Competent Agencies, and departments, agencies and organisations referred to in Article 3.2 of this Agreement shall be responsible for funding those works and types of activities within the framework of this Agreement that were assigned to each of them by mutual agreement between the Parties ...

With regard to the $68.6 million, which I understand is allocated, in essence, for the runway upgrade, the port development and the road, what agreement exists between the joint parties with respect to the other amount of money? You just mentioned some research facilities. If it is the case that some $32 million or $34 million is going to be used for those things, who in the end will own those properties?

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (6.01 p.m.)—A sum of $100 million was allocated to attract this company to set up this facility on Christmas Island so that the facility did not go to South America. It was provided in a way that protected the interests of the Australian taxpayer, that is, it is for infrastructure that is essential for this facility to commence. You cannot have the facility with a port situation that only works half the year. That is why we have committed money to this. The other moneys will go, as I have mentioned, towards downrange tracking equipment and uprange telemetry and guidance equipment—

Senator Murphy—Madam Chairman, I raise a point of order. In regard to the $32.2 million or $32.4 million going to other infrastructure, I was asking the minister who that infrastructure will belong to. If it is the case that we are giving it to the company proposing the project, that should be said. If that is not the case—if the infrastructure is going to continue to belong to Australia and Christmas Island—that should be said. Essentially, that is what I am asking. If it is to be used for other infrastructure, that is fine. I am not arguing against that; I just want to know who is going to own it at the end of the day.

Senator IAN MACDONALD—I have responded, as best I am able to unprepared—because this bill has nothing to do with these issues. The proposed section in the bill that you quote is not relevant to this, I am sorry. Nice try, but it is not part of the $100 million.

The CHAIRMAN—Minister, I think questions in relation to APSC are somewhat in order, given that APSC is mentioned three or four times in the explanatory memorandum. So I would rule that APSC issues would appear to be related to this bill, given the mention in the explanatory memorandum.

Senator Schacht interjecting—

The CHAIRMAN—The minister has the call.

Senator IAN MACDONALD—Thank you, Madam Chairman, for your very useful intervention. It is tremendous to have such a proactive chairman. I do appreciate your involvement. I have not hesitated to mention APSC. What I indicated, as you would have heard if you had been listening, was that the question that Senator Murphy raises has nothing to do with the $100 million. I am not properly briefed for all these details. I have given what answers I can out of the information—

Senator Schacht—Point of order!

The CHAIRMAN—There is no point of order, Senator Schacht. The minister is explaining what he is up to. I do not require your assistance.

Senator IAN MACDONALD—So the $100 million has nothing to do with the question—

Senator Schacht—Point of order!

The CHAIRMAN—Order! Senator Schacht, would you please come to order and cease your interjections.

Senator Schacht—I am trying to be helpful.

The CHAIRMAN—You are not being helpful to the chair and therefore you are not being helpful to—

Senator Schacht interjecting—
The CHAIRMAN—I think being helpful to the chair might be a very important issue.

Senator IAN MACDONALD—Madam Chairman, Senator Schacht is obviously making the most of his last few months in this job. Obviously the Labor Party in South Australia well understand Senator Schacht’s use in this place and have acted accordingly. To return to the question asked of me, I indicate that I have given those details to the chamber. Those details are not relevant to this bill, but in my usual way of being helpful to the committee I have indicated, as best I can on another issue, where that $100 million is going to be spent. It is worth repeating that the future of Christmas Island depends on something like this happening there, because the phosphate resource is finite and the casino project that was the Labor government’s blueprint for the sustainable future of Christmas Island is in tatters. Here Christmas Island has a natural advantage because of its position, and we as a government are bending over backwards to help this happen.

I am delighted to say that Phosphate Resources Ltd and its directors, and most of the people on Christmas Island who have an interest in the future of the island, are supportive of this. It is only in one area that you get this constant nitpicking, criticism and negativity about this project. If the senators opposite want a debate on this, then let us have it, but let us have it at the appropriate time. What we are debating at the moment is the Space Activities Amendment (Bilateral Agreement) Bill 2001. I repeat: the question asked by Senator Murphy was a good try and might be relevant to some issues of space activity but was not relevant to the $100 million expenditure of $68.6 million. We accept that that is going into common use infrastructure, but we do not know where the other $32.4 million is going. To save a lot of heartache, it would be useful if the minister could explain exactly where that is going and exactly who will own the infrastructure. He has outlined some infrastructure today—where it might be going. Who will own that infrastructure? With respect to the articles in the bill, whose property will that be? That is not an unreasonable question that the chamber should ask. It is seeking an explanation from the government. The government is asking the parliament—and in this case this chamber—to pass the bill, but I think the parliament ought to be given a response to some of the other matters, such as the government’s allocation of $100 million and where the other $32.4 million is actually going.

Senator Ian Macdonald—Senator Murphy, are you talking about article 6, clause 3?

Senator MURPHY—Originally I asked a question about article 6, ‘Financing’, which is made up of three separate points, and then I referred you to article 9, ‘Protection of Property’. In the first instance I was asking you where the $32.4 million was going. You said that it was going to various types of infrastructure. I then asked you who was going to own that infrastructure. You said that it was not relevant to this bill. I would suggest to you that it is relevant to this bill. This is a matter that will be pursued by the Public Works Committee. You might save the Public Works Committee a bit of time if you could answer some of these questions.

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (6.10 p.m.)—The Public Works Committee does not operate, and is not doing its work, as a result of this bill. Senator, you refer to article 6 and you talk about the two parties. I have to tell you—and it might come as news to you—that the two parties to the agreement referred to in this bill are the Russian government and the Australian government. You know that: you are shaking your head. Why carry on?

That is why I was asking about ‘Financing’. If the company that is undertaking the project is granted some money and it goes into infrastructure and/or land on the island, I would be interested to know whose property it would be. The parliament is being asked to approve a bill that will ultimately lead to the
APSC. The $100 million that this government is putting into public use infrastructure on Christmas Island is not part of this bill. Similarly, you have another nice try going into article 9, but again that is completely irrelevant to the $100 million. ‘Protection of Property’ talks about each party—again, the Russian government and the Australian government.

Senator HARRIS (Queensland) (6.11 p.m.)—I would like to seek some clarification from the Minister for Regional Services, Territories and Local Government, Senator Macdonald. Article 7, in schedule 1, on page 11 states:
The Parties shall ensure protection of intellectual property ...
How does the government propose to ensure that any Australian intellectual property in relation to the agreement is protected? The article continues:
... in accordance with their respective international obligations, and the domestic law and regulations of their States.
For clarity, would the minister advise the chamber that the reference to ‘state’ is not a state within the Commonwealth of Australia but in actuality refers to the Commonwealth of Australia. What we have here is United Nations terminology being used in legislation within Australia. We need some clarity so the Australian people can clearly understand that that reference to a ‘state’ is to the Commonwealth of Australia. How will the government protect the Australian intellectual property referred to in article 7, and can we have some clarification on the reference to ‘state’?

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (6.13 p.m.)—Thank you, Senator Harris, for at least a question that is related to this bill and not to some other issue. I refer you to article 7. We should bear in mind that the parties referred to are the government of Russia and the government of Australia. The article states:
The Parties—
that is, the government of Russia and the government of Australia—shall ensure protection of intellectual property, created or provided within the framework of this Agreement, in accordance with their respective international obligations, and the domestic law and regulations of their States.
That means the Federation of the Russian Republic and the Commonwealth of Australia. The other question was how they are going to ensure protection. I am advised that there will be private agreements made in relation to protection of intellectual property which will be done under the current laws existing within Australia and the current laws existing within the Russian Federation. They will be done under Australian law so far as Australia is concerned.

Senator HARRIS (Queensland) (6.15 p.m.)—I thank the minister for that explanation. Article 10 of the agreement refers to the liability of both the Russian Federation and the Commonwealth of Australia. How will the Australian government cover any exposure to obligations included under the Convention on International Liability for Damage Caused by Space Objects—that is, the agreement signed on 29 March 1972, known as the liability convention? My reading of the agreement raises the issue that there is a liability on the Commonwealth of Australia, as we are the launch facility, both for malfunction within the actual launch process and also for any space debris that would result from that launch vehicle or satellite re-entering. So how does the Commonwealth propose to cover its exposure to this liability?

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (6.16 p.m.)—Senator, issues of liability are not referred to in this amendment bill. They are referred to in the original bill, which this bill amends, although it does not amend it in that regard. The liability referred to in the agreement is, as I understand my advice, liability between the Russian and the Australian governments. Both governments may agree not to hold the other liable or they may agree to put caps on liability. But the agreement will be made. Article 10 relating to liability refers to that and allows a framework within which those agreements and those procedures will follow.
Senator HARRIS (Queensland) (6.17 p.m.)—I clearly understand what the minister is articulating in relation to the agreeing parties. I raise the issue of liability that is, in actuality, suffered by a third entity. Will the government require from a launch corporation an insurance indemnity that would cover the Commonwealth for any damage caused by a launch from that facility? I understand clearly that there are sections of the agreement that cover liability between the Federation of Russia and the Commonwealth of Australia. My question is: how will the government cover its liability from a third party that suffers damage relating to a launch from the facility?

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (6.18 p.m.)—The answer in short is yes, the Australian government will require any launch operator to take out public risk insurance. This is not Christmas Island specific—in spite of what you might believe if you had so little to do as to listen to the earlier debate—but is for the whole of Australia and wherever space launch facilities might be. As you are well aware, there is talk of space facilities in Woomera. We do not want to restrict anywhere else in Australia that might be able to be part of this leading edge technology, which will get a huge boost if the Christmas Island proposal proceeds.

But yes, under this, operators will be required to take out public risk insurance to the value of the estimated maximum probable loss. The figure is determined in relation to each flight, and so it varies. Just by way of helpful advice, the risk factor in these facilities—and this goes on the most stringent NASA regulations—is one in 10 million. The prospects of things going wrong are pretty limited. You and I have, I suspect, more chance of the roof of this building falling in than this risk factor being reached in relation to these other matters.

Senator HARRIS (Queensland) (6.21 p.m.)—I thank the minister for his answer. Yes, I have been listening to the debate and I am well aware that the agreement also covers Woomera and any other subsequent areas that the Commonwealth would wish to develop as a space area. I support that totally.

Finally, article 11 refers to customs regulations. Paragraph 3 says:

Where the domestic law and regulations of the States of the Parties do not provide for direct exemption from other taxes on goods for the purposes of cooperation under this Agreement, and such taxes are collected by customs authorities, such an exemption shall apply on the basis of this Agreement subject to the domestic law and regulations of the States of the Parties.

That is actually giving an exemption on all products—computer software, databases, design and engineering developments, trade secrets and know-how, and manufacturing. Quite a large list is set out in that section. How does the government propose to ensure that, say, computer software or databases that are brought in to supposedly be used in this facility are not actually used for other purposes? In other words, I am asking the minister how the government will ensure that the exemption on such taxes will pertain only to goods for the purposes of the bill—that is, the space activities—and not be brought in under that guise and then used for another proposal.

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (6.23 p.m.)—I am advised that, although the word 'taxes' is used, it actually refers to import duties.

Senator Harris—And GST.

Senator IAN MACDONALD—GST does not apply on Christmas Island, so it is not relevant there. I am told that paragraph 3 has no impact at all on taxes within Australia. Remember that these are agreements between two governments; they do not relate to any space launch company such as APSC or anyone else. They are, of course, subject to whatever the laws of the land say regarding taxes. This is really an agreement between two governments. As I am advised, it relates to duties on transactions between the two governments in both countries if it is relevant.

Senator SCHACHT (South Australia) (6.24 p.m.)—I still have a number of questions because every time you give an answer, Minister, it raises another question for me. You mentioned, I think in answer to Senator
Murphy, that maybe part of the missing $32 million could be on down-range equipment, telemetry equipment. Is that correct—that part of the $32 million in infrastructure will be for such equipment?

Senator Ian Macdonald—Yes.

Senator SCHACHT—This then raises a question. I know that Christmas Island is small and I know that you say there is not enough room for someone else to go and build a space launch facility. But in view of the fact that we are providing $100 million and $32 million for the tracking equipment and associated equipment that helps with the launch—or, I presume, an APSC-built launch facility—does the government have a policy that, if somebody else wants to come in and pay a reasonable commercial price, they can also launch their rockets in view of the fact that there is a government investment of $100 million? In particular, we are saving APSC $32 million of what they would have had to spend for down-range tracking equipment and telemetry.

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (6.26 p.m.)—It would all be within the pricing that APSC would charge to send off someone else’s rocket. The answer, I guess, would simply be yes. I am advised that it would be available for multiple users if it ever became relevant. It is unlikely, because of the nature of this facility, that there will ever be more than one space launch facility, but others will use this facility for their own purposes. APSC will no doubt charge them a fee. The fact that that is publicly funded will be, obviously, taken into account.

Senator SCHACHT (South Australia) (6.27 p.m.)—Obviously taken into account? I would like it to be stronger than that. In effect APSC—they are putting up a lot of their money, and I understand that—are getting a monopoly, with the advantage of the $100 million the Australian government is putting in for both general infrastructure and down-range equipment, telemetry, et cetera. I want to know if there is a process whereby, if another party wanted to use APSC equipment—and a lot of equipment is funded by the Australian government—they could have arbitrated the argument over the commercial rate. APSC can just charge any figure they like and freeze anybody else out but still have the benefit of up to $100 million worth of Australian taxpayers’ money. All I would like to suggest is that the government, in the agreement with APSC, have an arbitration system in place if someone else turns up. Minister, I can assure you that I think others will turn up once that level of infrastructure is provided to that island. We ought to encourage that, but they should not be frozen out because APSC chooses to charge unreasonable commercial rates for access to equipment partly built by the Australian taxpayer.

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (6.28 p.m.)—I do not have these figures at my fingertips, but I am told that, if someone else came in and wanted a space launch there, the fee would be something like $10 million to $20 million. You are talking about big money. You mention $100 million, but you can use $68.6 million of it, Senator Schacht. You can come in at the port and drive up the road; you can land on the airstrip. Everyone can use that. Some $15 million—

Senator Schacht—But how much of the $32 million—

Senator IAN MACDONALD—For the reason I mentioned, I do not want to get into particular figures, but there is another substantial part of that going into a space research centre which APSC will put some money into and we will put some money into—the way we put money into universities and other research institutions. Some of it goes to meteorological facilities, which I am sure will be used by all and sundry. You say you want the government to look at that. I will certainly pass that on to Senator Minchin. Thank you for your suggestion.

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

Senator MACKAY (Tasmania) (7.30 p.m.)—I want to reappraise the information that the opposition are after, as the responsible minister, Senator Minchin, is now at the table. I did warn the minister’s office that the
direction we were headed in prior to the dinner suspension was taking us nowhere. The opposition understand that, of the $100 million that was not appropriated in the budget but that came out of the government’s contingency reserve, $68.6 million is going to the committee on public works for scrutiny. That is fine; that is undisputed by the opposition. We are interested in what is happening to the remaining $31.4 million. I have given Senator Minchin’s office prior notice of this. I think Senator Minchin may be attempting to get the information now but, while I am on my feet—as Senator Schacht would say—I will make a couple of comments.

It would have been handy if the previous minister who was handling this had been briefed. It certainly did not assist proceedings that he was not. I have to say yet again that, as is always the case with Senator Macdonald, intemperate language and an intemperate attitude do not get you very far in this place. My remarks were moderate. Senator Schacht’s remarks were totally supportive of the legislation. Senator Crossin’s remarks were directed at the interests of her constituency. As a senator for the Northern Territory, it is her job to raise the issues that her constituency raise with her.

This is what the Senate is for—scrutinising and asking questions about legislation. Senator Schacht can speak for himself, but I have to say that personal sledging, intemperate language and questioning the Senate’s capacity or right to ask questions does not assist procedure. We could make a number of comments about Senator Macdonald if we wanted to, but it would not help get the Space Activities Amendment (Bilateral Agreement) Bill 2001 through, which is the aim of all of us. Senator Macdonald, if you are listening, I say to you: it would be a lot easier to take a deep breath and to simply answer questions as they come along than to personally sledge Senator Schacht, Senator Crossin and me. It does not go down very well with the public and it does not help to get answers.

The opposition have a problem with the fact that, because the $100 million came out of the contingency reserve, the opposition will not have an opportunity to scrutinise the figure until the supplementary estimates hearings come around. We all know that that is unlikely to occur in the term of this parliament. We were really asking questions that, in normal circumstances, we would have asked in estimates, but because the announcement was made post the estimates process we were unable to ask those questions. I think therefore that our questions are eminently reasonable. There is no capacity to say yea or nay to the appropriation. I use ‘appropriation’ as a working term, for want of a better term; I am not quite sure what you call taking $100 million out of the contingency reserve. This is the only place in which we can ask questions about the figure. Accordingly, I spoke to Senator Minchin’s office over the dinner break. Hopefully, the minister is sufficiently informed to now answer that one simple question.

Senator MINCHIN (South Australia—Minister for Industry, Science and Resources) (7.34 p.m.)—I have only just had my attention drawn to the nature of your inquiries. I am sorry if my representative did not have those answers when the bill was being discussed before, but I am not sure that there was notice that you wanted to get into the detail of the Christmas Island space facility under the heading of the Space Activities Amendment (Bilateral Agreement) Bill 2001.

I can wax lyrical about the incentive that we have provided to APSC, but can I say at the outset that the federal government put a lot more on the table when it comes to industry investment incentives than any state government ever does, whether Labor—and there are five of them now—or Liberal. In the few areas in which we have provided incentives to attract industry to this country that would otherwise go somewhere else, we have been more forthcoming than is normal. But we suffer the same constraint as our state colleagues, and I am sure you would be able to talk to your state colleagues about this problem: certain confidentiality issues arise when you are dealing with commercial programs.

Under our strategic investment incentive program, APSC satisfied us of the key criteria—that, but for an incentive from this gov-
ernment, the project would go somewhere else, to wit, Brazil. If you are interested in space matters you will know that Brazil spent $US300 million to build their own fully-fledged, ready to go space station. They are touting for business all over the world, trying to get companies to come and use their $US300 million space station. They put very attractive offers to APSC. We determined that this was a very genuine project, genuinely being chased by Brazil and for which there was a real temptation to go to Brazil, given what was on the table. We determined that support, or an incentive of $A100 million, was required to ensure the project went ahead in Australia. The project has received bipartisan support, and I appreciate that.

We determined that the nature of that incentive should be primarily public infrastructure on Christmas Island, which I am pleased about. We also indicated that, to fill out a package of incentives of $100 million, which was required to attract the investment here, we would support what was described in the announcement as 'space port infrastructure' for telemetry and tracking and for payload processing facilities.

These, I would have to say, are matters that we are going to have to negotiate in detail with the company—in other words, the spaceport infrastructure. The money will not be used to actually build anything to do with housing or accommodation or the actual space station—the 28 metres of concrete and that sort of stuff. It will go towards some of the high-tech gear that will enable the space station to operate. Remember that we were up against competition that involved Brazil offering to provide virtually all of this at very little cost. We are not able to go into the specifics of the breakdown because, as I hope you would understand, we will be putting the public infrastructure out for competitive tender—that is, the airport and the major road program—and we do not want to name a price. We do not want to say that we are going to spend X on that, because that is what the tender will decide. We obviously want to protect the Commonwealth and the taxpayers. We want to get the best price for the public infrastructure, and the Public Works Committee would expect that, so we do not want to put a figure on that. But we are committed to providing APSC with a $100 million incentive. That is what we offered them to get them here. The extent to which there is funding available for some of these other spaceport infrastructure issues and what we finally agree on with APSC, again, on a commercial basis and on a tender basis—and that is something that Invest Australia handles on the Commonwealth’s behalf—will be a function of having worked through all the public works processes and public tender processes in relation to the public infrastructure aspects of this package.

I regret that I am not able to give you much more information tonight. I guess it will be a function—once we have completed all the tender processes for the public infrastructure, we have worked out what that is going to absorb of the total package and we have negotiated with the company, within the constraints of the cabinet decision, where the spaceport infrastructure can go—of what funds are available for that and how they should be best deployed to fulfil our obligations to provide an incentive of $100 million as our commitment to APSC. I remind you that, in return, APSC have pledged to establish a space research centre in Australia out of the proceeds that they will be receiving as a result of establishing this operation and becoming a commercial operation, which is a good commitment that we extracted from them as part of the incentive package to get this facility established. I appreciate your interest, your support and your reasonable questions. I am sorry I cannot give you further information but, as I say, that is a function of decisions that will have to be made further down the track on some of the tenders that go out to complete this work.

Senator SCHACHT (South Australia) (7.41 p.m.)—I appreciate the minister’s remarks. Before the dinner break I raised a question with Senator Ian Macdonald, and I spoke to one of your advisers just after the dinner break started. I am not arguing about the size of the $100 million commitment. I understand the competition and that this commitment had to be made. I understand the separation of nearly $70 million for ge-
neric infrastructure. I understand the $32 million that is to go to APSC for, as you have mentioned, telemetry, payloading, processing, down-range monitoring, et cetera. But one of the things I asked about was that, although they are putting in $800 million—or funds of about that size—for the launch facility that they are building, with the bits and pieces that government is providing, in the future someone else might come along and say, ‘Well, you have a spare three months here, can we use it to launch a rocket with a satellite?’ This might be semi-competitive. In view of the fact that the government has made a contribution of $30 million out of $800 million, which is a small amount, what in the contract could be signed—and you may not want to respond because it is commercial-in-confidence, but I would hope that this would occur in negotiation of the contracts—so that there is some process if someone else wants to hire that facility to launch a rocket, even an Australian consortium? CSIRO might want to put up a satellite and get hold of a rocket on some research program. Is there some ability for the government to say, ‘We have put this money up. One of the returns we want is access, from time to time, to launch a rocket with a satellite’? I want it done so that APSC cannot block anybody from doing this by putting forward an unnecessarily high launch figure—$100 million, $200 million or $1 billion—just to scare the competition off, because we want to encourage more and more launches.

I wonder whether you could give us some indication that, in the negotiations for the contract, there will be some protection for the public to ensure that we get some further return on the money. Will there be an arbitration process so that, if there were a dispute because someone else wanted to hire and use it, because of our commitment we would have some ability to say, ‘An arbitrator should set a price if there is a big dispute between the people of Australia and someone else trying to bid to come in’? I know that they might say that the Brazilians were offering all or nothing—the $300 million—but the more we get people into Australia trying to launch from facilities, the better it will be. Senator Macdonald said that you could not build two facilities on Christmas Island because it would be too crowded. I understand that. But that puts them in a semimonopoly position on one of the very few sites in Australia that has the ability to launch equatorial orbits. Once you get that, you are in a commanding position in the future marketplace. I want to see that there is some ability for the government to negotiate—because it is a sizeable commitment that we are making—so that others who may want to come along and who pay a fair and reasonable price for access to the facilities can use them.

**Senator MINCHIN** (South Australia—Minister for Industry, Science and Resources) (7.44 p.m.)—You make on the face of it a reasonable point, although of course it is the company not the public that is, as you say, risking the $800 million. If we could build a public space launch facility, that would be all very well and we could make it available on a commercial basis. But they are not building a space launch facility to make it generally available; they are building it so that they can use Russian rockets to develop a satellite launching business from that very good site. I would like to think that, certainly in the case of public good launches—

**Senator Schacht**—In the national interest?

**Senator MINCHIN**—yes—that there would be appropriate arrangements in place to ensure that access was available. I cannot give you a firm undertaking on that at short notice. I think you have made a fair point. I think it is something that we should discuss in more detail with the company when we negotiate the contracts relating to the provision of these funds for those facilities. I agree with you. I would like to think that, certainly in the case of public research or public good launches, access would be available, but again I am mindful of the fact that our $30 million is not a large part of the over $800 million that they are going to have to take the risk of raising to install these facilities. But the company has been very good and very reasonable so far in our dealings and I would expect that to continue. I think you make a fair point and I will certainly keep you informed of progress on that.
Senator SCHACHT (South Australia) (7.46 p.m.)—I want to turn to another matter, which is a bit more arcane to some people. It is about tariff and customs matters, and I speak as a former Customs minister. I read with interest—and I know the reason it is here—about the duty relief, the Tradex Scheme and the change in the schedule of the Customs Tariff Act. The explanatory memorandum describes the use of the Tradex Scheme. It says, and I will put this on the record for people who may read the Hansard one day:

The Tradex Scheme Act 1999 exempts imported goods from duty and other taxes, provided that the goods are subsequently exported or incorpo-

rated in other goods that are exported. However, given that the goods and equipment to be used in the construction and operation of domestic com-

mercial spaceports would not be exported, the Tradex Scheme does not provide appropriate relief from duty. This scheme also makes provision for capital goods only, hence some of the pro-

posed items to be used in the construction and operation of a commercial spaceport may be excluded. Does that mean the Tradex Scheme as such will not be used to give tariff exemption in this case?

Senator Minchin—That is correct.

Senator SCHACHT—Therefore we move instead to item 16, schedule 4 of the Customs Tariff Act, which is where the relief will be given. Is that correct?

Senator Minchin—That is also correct.

Senator SCHACHT—This will provide for duty-free entry of goods to be used for scientific purposes under an agreement or arrangement between the Australian gov-

ernment and a government of another country on cooperation in the field of science and technology. I understand that—this is a government to government level—but does this mean that APSC for example, because they are a Russian company, will be able to get access to this duty free under item 16 of schedule 4?

Senator MINCHIN (South Australia—Minister for Industry, Science and Resources) (7.49 p.m.)—Sorry, I do not have the benefit of being a current or former Customs minister. You are probably ahead of me on this but I am advised that your reference to item 16 of schedule 4 is a reference to an existing provision which does not satisfy our re-

quirements to assist the importation of space related equipment for the purposes of a commercial operation—that is, APSC. This is, as you pointed out, a sort of government to government arrangement that is facilitated under item 16—

Senator Schacht—What provision—

The TEMPORARY CHAIRMAN (Senator Ferguson)—Order! Senator Schacht, I think you had better wait until you get the answer and then ask another question afterwards.

Senator MINCHIN—I can anticipate the question and I will get the answer. I refer the Senate to a document which has been tabled, which relates to the agreement. It is the Na-

tional Interest Analysis, and on page 6 of that document, in clause 28, it says:

Relief from customs due on goods to be imported into Australia within the framework of the agreement has been given effect by Customs Tar-

iff Proposal No. 5, 2001, tabled in parliament on 27 June. This proposal created a new conces-

sional item, Item 69 in Schedule 4 of the Customs Tariff Act, which item allows the duty-free entry of goods imported into Australia for use in space projects authorised by the minister. The proposal takes effect on 1 August and will be given perma-

nent effect by Customs Tariff Amendment Bill No. 4.

That is, I presume, the bill we are discussing.

Senator SCHACHT—Could I get a copy of that? I have not got it, I am sorry.

Senator MINCHIN—I have just been advised that it is being tabled tomorrow with the treaty. I am sorry; no wonder you have not got it. It says, ‘Documents tabled on 21 August 2001.’ That is tomorrow.

The TEMPORARY CHAIRMAN—Senator Schacht, I think you had better get one tomorrow.
the explanatory memorandum. There is an article 11, customs regulation, but it makes no mention of that specific section.

Senator MINCHIN (South Australia—Minister for Industry, Science and Resources) (7.53 p.m.)—It is a more general description of what we are proposing to do that is referred to in the explanatory memorandum. The pages are not numbered.

Senator Schacht—The ‘Need for duty-free entry of space equipment’ is referred to at the top of the third page?

Senator MINCHIN—It is a page which has in italics ‘Provision of relief from duty’ and in bold capitals ‘Impact analysis’. Under ‘Provision of relief from duty’ it states:

Given that existing customs duty concessions are not sufficient to provide the required relief from duty, there are three possible options:

1. Insert a new item to Schedule 4 of the Customs Tariff Act 1995, which provides access for authorised projects and for By-laws in respect of each authorised project;

This is the option we are pursuing in the bill.

The TEMPORARY CHAIRMAN (Senator Ferguson)—Senator Schacht, if I called Senator Mackay you might be able to move to the other side of the chamber and find what you are looking for.

Senator MACKAY (Tasmania) (7.54 p.m.)—I actually wanted to ask a question of the minister. I could probably talk a bit about the question I am intending to ask. I appreciate the minister’s explanation to my previous question. I understand that the little information we were able to get previously indicated that $68.6 million is going to the Department of Transport and Regional Services for—Mr Slipper described it this way—‘common use infrastructure upgrade’. That was his summation. Minister, I appreciate the courtesy in relation to the remaining $32 million of the—to use the term loosely—‘appropriation’. I understand that there may be commercial-in-confidence issues in relation to this. However, would the minister be able to—

Honourable senators interjecting—

The TEMPORARY CHAIRMAN—Order, Senator Mackay. There is bit too much noise on my right. I know you want to ask a question of the minister. I would suggest that we have a bit of order.

Senator MACKAY—Thank you for your indulgence, Mr Temporary Chairman. I was uncharacteristically running out of things to say. I understand that DTRS has the appropriation of $68.6 million for, as Mr Slipper described it, the estimated cost of the common use infrastructure. I also understand the minister’s explanation in relation to the remaining $32 million or $31.4 million in terms of commercial-in-confidence issues. Minister, would you be able to take me through the process that will be followed from now on with respect to the $32 million? I appreciate the $68.9 million has gone to the capital works committee. Rather than being explicit in terms of this—I appreciate you might not be able to—firstly, would you take me through the process that will be followed in relation to the remaining $32 million; and, secondly, is the list that you indicated earlier comprehensive or are there any other things that may be funded under the $32 million remaining?

Senator MINCHIN (South Australia—Minister for Industry, Science and Resources) (7.56 p.m.)—As I indicated before, the exact scale of the incentive provision for non-public infrastructure will be a function of what is left over after the proper tender process is completed for that public infrastructure and we determine what funds are required to perform those tasks.

Consistent with having agreed to provide a total package of $100 million, we will then engage in pretty detailed negotiations with the company over the provision of the remainder—let us say, for the sake of tonight, $30-odd million—within the terms of the cabinet’s decision which relates to this space port infrastructure. We do this on a regular basis with other projects that have received support under the Strategic Investment Incentive program—for example, the Visy pulp mill in Tumut or the Syntroleum project in Western Australia. The cabinet agrees on a specific sum and a specific framework for the expenditure and then there is detailed negotiation, in many cases led by the strategic investment coordinator—in this case, Mr Fergus Ryan—and officers of Invest Australia, who take a proper and
duly hard-headed approach to it to negotiate how those moneys will be disposed, for what purposes and at what price, consistent with the cabinet’s decision and consistent with the finance department’s constant and regular overview of the process, to ensure that it complies with both the cabinet agreement and the government’s proper financing arrangements.

Senator MACKAY (Tasmania) (7.58 p.m.)—Just to finalise this part of the questioning—and then I will hand over to Senator Schacht for the remainder—is it envisaged, Minister, that the entire $100 million will be disbursed within the next financial year, or is it likely to go beyond that? Perhaps you could indicate some time line in terms of the spend?

Senator MINCHIN (South Australia—Minister for Industry, Science and Resources) (7.59 p.m.)—Just off the top of my head: it is certainly not all going to be spent within the next financial year. There is no way of completing the public works in that time, let alone all the space related matters, the spaceport infrastructure. They are hoping to break ground later this year, but I do not think that they are expecting to complete it until the end of 2003, probably at the earliest. The sort of spaceport infrastructure that we are talking about would be at the latter end of the project. You have to do all the major capital works first, and the high tech gear that goes in to actually control the rockets—which is really what we are talking about—would be one of the last things that you would be putting in. Whether we are in government or you are at the time that we reach agreement, I would not have thought that there would be any constraint in any agreement between the government and APSC on the specific items being published and revealed as we negotiate finality on that expenditure.

Senator MACKAY (Tasmania) (8.00 p.m.)—Minister, we are labouring under the inconvenience of not having out-year funding, because of the nature of the announcement in terms of the contingency reserve. I understand where you are coming from: essentially, you are saying that we are looking at 2002-03. Without giving too much away, could you tell us whether it is likely that there will be more call on the federal government in terms of additional expenditure? In the current contractual negotiations, is it $100 million all up, including the out years 2002-03?

Senator MINCHIN (South Australia—Minister for Industry, Science and Resources) (8.01 p.m.)—The cabinet’s agreement is for an incentive of $100 million. That is fixed, pegged, firm and cannot be amended or changed in any way except by cabinet. I am satisfied that the incentive we have provided is a satisfactory one. The company has welcomed it and has formally accepted that offer on the basis that it will now proceed. Obviously, it is open to any future government to decide that it wants to provide further incentives, but the company certainly has not approached us about that and I do not expect that to occur. So, yes, it is fixed.

Senator MACKAY (Tasmania) (8.02 p.m.)—So I take it, then, that the $100 million will see the federal government through to 2002-03, and I take it that there has been no indication that there may be additional calls for funds in the next financial year? I appreciate what you are saying about the cabinet process; I am just trying to get a fix on the likely appropriation in the out years.

Senator MINCHIN (South Australia—Minister for Industry, Science and Resources) (8.02 p.m.)—Each budget makes a provision for the contingency reserve and then makes a provision in the out years. I cannot remember the phasing of the $100 million over the next two or three years but it is spread and allowed for over the next two or three years, so in subsequent budgets that will be shown as such. The call on the contingency reserve for this project is a small amount in this financial year, with the bulk of it in the following financial year, and I think there is a bit in the year after that.

Senator SCHACHT (South Australia) (8.03 p.m.)—I have a question on the same matter before I get back to tariff issues. We have described the $30-odd million for the infrastructure; that money will be provided to the company as they meet certain objectives of building. I do not think we are this naive anymore, but we are not going to just
say, ‘Here’s your $30-odd million,’ are we? They have to start building and doing certain things and, at the appropriate time, we then click in and say, ‘Right, you’ve built the gantry; now we put up the radar mask on the top.’ We don’t just give them the money. We will actually call for tenders to provide those bits and pieces that we have agreed to, we will be in charge of the production of that through those separate tenders and then we will put it in place, mixing in with the company’s obvious infrastructure of the $800 million. Is that right?

**Senator MINCHIN** (South Australia—Minister for Industry, Science and Resources) (8.04 p.m.)—Broadly speaking. We have not negotiated that finally, but it would be on the basis that the company would tell us what specific requirements they have for this sophisticated infrastructure. We would require of them, presumably, a proper pricing and tendering process and, once we are satisfied with that, we would then meet our obligations to pay for that equipment.

**Senator SCHACHT** (South Australia) (8.04 p.m.)—Back to a tariff issue: Minister, privately, with your adviser, you said that there will be a separate customs amendment bill coming in to account for this special amendment under the tariff act. Allowing for that, this is what I would have described in the old days as Customs minister as a ‘special policy by-law arrangement’ whereby, for a specific project, the items that can be imported for the project are all given exemption from paying tariff. On pages 16 and 17 of the bill, items (a) to (e) list some such areas of equipment. Most of the bill is the agreement between us and Russia. Beginning on page 16, article 11, ‘Customs Regulation’, describes—without it actually being an amendment to the act—the range of things that will, in particular, get exemption from the tariff. I think that is correct, isn’t it?

**Senator Minchin**—Yes.

**Senator SCHACHT**—Because of my experience with what I used to call the old policy by-law arrangement for a special project, one of the things that worries me a bit—and this is an administrative matter—is that all of the equipment coming in looks very specific to the project but when they are building a major construction site—with concrete padding, gantries, et cetera—they might want to import bulldozers and more generic construction equipment, which has a five per cent tariff on it. This article gives them an exemption from that tariff because we have identified it as necessary. Once the construction is finished, will they take that more generic equipment, which is no longer needed, back out of the country, or are they allowed to sell it tariff free inside Australia and dispose of it here? Under the system I was aware of, you had to watch this very carefully. They got it imported tariff free, they used it for the project—such as a major mineral development—and when the project was finished the more generic construction equipment, like trucks, was then sold—at a higher profit, of course, because there was no tariff.

**Senator MINCHIN** (South Australia—Minister for Industry, Science and Resources) (8.08 p.m.)—I have to confess that the matter of whether or not we should seek to impose some restriction on any capacity to onsell any of the equipment brought in duty free is not one that I have turned my mind to. As you know, we have broadened this item to maximise the ease with which we facilitate bringing this equipment in. Overwhelmingly, we will not be dealing with things like bulldozers; it will be largely Russian rocketry, which is unavailable here and which will be sent into space or used to send things into space. I cannot answer your question here. I will have to take it on notice. I think you raise a point which we need to discuss with the company. I certainly would be very concerned if there was anything that allowed a rort to develop. I certainly think we need to guard carefully against that, and I will take that very much to heart. Whether it is possible in any sort of legal or administrative way to handle this, I am not sure, but I take your point and I will pursue it.
Australia, I will outline one of the reasons for my concern. I will not name the company but at the time I was minister we discovered that, under the guise of bringing in specialised equipment for the development of a major mining project, they were bringing in generic things like Toyota Landcruisers and so on, which should have been bought in Australia.

What I would suggest to you, Minister, is that it is really a matter for the Customs officials or the people in your department who look after this area to monitor closely, to make sure that there is not a loophole at any time on this. They do have to be administratively sharp in looking for it.

Finally, there is one other thing I want to raise, and that is the question of ensuring that we get technology development and infrastructure for Australia. I do not think there is a likelihood of this happening in relation to the project on Christmas Island, because a lot of the equipment for that will be specialised space equipment. However, more generally, when a special project is given under this legislation, we need to ensure that the company is asked to give notice to Australian industry in a timely manner, to see whether Australian industry can supply the equipment, rather than having it imported from Russia, Kazakhstan, the Ukraine or wherever.

By asking them to give that notice in a timely fashion, you overcome a problem we used to run into—and I am sure we are still running into the same thing—where the company says, ‘We have to do it tomorrow, we do not have time to put the notice or the tender or the expressions of interest out to Australian industry.’ If it is a new industry, Australian companies will need some lead time to get themselves up to the mark. We are not asking them to get a concession on price; it has to be a world competitive price, and so on. Again, this is a matter of people monitoring the system of what I call policy by-laws, or specialised by-laws or special concessions, saying from the very beginning, when the company starts, ‘How much of this can be done in Australia?’ Once some is done in Australia, you get the technology development and, step by step, we get more of that in Australia. But, unless we get in first, you will find, as I found on a couple of occasions, that you will be told, ‘If you want to do that, Minister, you are going to delay the project by 18 months, and we cannot afford that.’ So you are damned; you are stuck between the devil and the deep blue sea. However, if you get in early enough, with the department saying to the company, ‘You are still a year away from doing some of this stuff; we want expressions going out through the industry network to see who can do it’, we may even get more benefit back to Australia for their $800 million and our $100 million.

Senator MINCHIN (South Australia—Minister for Industry, Science and Resources) (8.13 p.m.)—I am very sympathetic to that proposition. I think I am right in saying that the lists of specific items to be imported under this item have to be vetted, and that does need to be rigorously assessed. I think it is probably less of a problem, as you say, on Christmas Island, but this is a general bill and will apply to mainland projects.

I am also very sympathetic to the proposition that we seek to maximise Australian participation. As you know, I and the state industry ministers agreed on the development of a pro forma Australian industry participation plan for major projects in Australia. We are very enthusiastic about that. We are hoping that Holden will use the Australian industry participation plan or something similar to it for the engine plant in Melbourne and that it will be used with any other projects like this that we support. While, as you know, we cannot and will not prescribe Australian content, we will be expecting them to use the Australian industry participation plan model and framework and ensure full and fair opportunity well in advance. I have already spoken to David Kwon of APSC about this matter, and I expect to see maximum Australian participation in this project.

Bill agreed to.

Bill reported without amendment; report adopted.

Third Reading

Motion (by Senator Minchin) proposed:
That this bill be now read a third time.
Senator HARRIS (Queensland) (8.15 p.m.)—I rise to place on the record that One Nation supports the government’s bill and its intention to bring approximately $2.5 billion in benefits to the Australian economy.

Question resolved in the affirmative.

Bill read a third time.

VETERANS’ AFFAIRS LEGISLATION AMENDMENT (2001 BUDGET MEASURES) BILL 2001

Second Reading

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

That this bill be now read a second time.

Senator SCHACHT (South Australia) (8.16 p.m.)—The Veterans’ Affairs Legislation Amendment (2001 Budget Measures) Bill 2001 is supported by the opposition. It deals with a number of announcements that the government made in the budget recently. We do not have any opposition to these measures because they are an extension of benefits. We support the government on them and we will not be moving any amendments to this bill in the committee stage.

The bill deals specifically with a number of areas which are not insignificant in cost to the revenue and are, therefore, a cost to the Australian taxpayer. But I think the Australian taxpayer, by and large, would agree that these improvements and these new measures are beneficial to our veterans community. The first major area that the bill deals with is the extension of the Repatriation Pharmaceutical Benefits Scheme. The scheme will be extended to include all Allied veterans and mariners with qualifying service from World War I and World War II. I think there are 20 Australian veterans left from World War I. There may be some others who have been living here—Allied mariners, et cetera—but, at the most, there would not be more than 10, I would imagine, if any at all. Certainly for Allied veterans and mariners with qualifying service from World War II, this is a significant initiative of the government. It is significant alone in that the estimated cost of over $30 million a year indicates that a sizeable benefit will be available to a considerable number of Allied veterans living in Australia. The estimated cost in 2001-02 is $19.5 million; it rises to $33 million in 2002-03, $31 million in 2003-04 and $30 million in 2004-05.

While it is a matter of interest for the community, the interest that we have in this matter is that it is a bit difficult to make this estimate—to know the number of Allied veterans and mariners who have qualifying service and who are now living in Australia. Currently, it is estimated that there are about 350,000 veterans with access to the Repatriation Pharmaceutical Benefits Scheme, using on average 34 to 35 concessional prescriptions a year at an annual cost of about $325 million. So the scheme is not a cheap scheme by any means but it is a very worthwhile and necessary scheme to provide benefits to our Australian veterans. Therefore, I say to the minister that one of the questions in the committee stage is: can they be more specific in how they arrived at the estimation of around $30 million in a full year to extend this to Allied veterans and mariners? The figure on these estimations has to be only marginally out and you have a blow-out in the budget, running to $5 million, $10 million, $15 million, $20 million, et cetera. Again, I do not blame the department for not automatically being sure how many Allied veterans are now living in Australia.

Another issue is the extension of the gold card to Allied veterans, which has been promoted by groups in the veterans community. I have seen figures that up to 90,000 Allied veterans with qualifying service are now living in Australia—obviously, British veterans being the largest number. There are veterans from the Second World War, not only from Great Britain but from all the Allied countries—France, Holland, Italy, Greece, and Scandinavian countries such as Norway and Denmark. There are also Russians; several thousand Russian veterans emigrated to Australia in the 1980s. I have met some of them and they fought at those famous battles at Stalingrad and Leningrad, right through to the capture of Berlin. Their war experiences are quite outstanding and astounding to those of us who have not served in such a military conflict. The extension of this benefit is very
important to those Allies, and this will be a significant benefit to them.

The department is using the average of 34 or 35 concessional prescriptions a year for existing Australian veterans. We are interested to know whether the department believes that Allied veterans will be using the same number of concessional prescriptions a year and, if not, what is its judgment on that? Also, does it have any concern that there will be an increase in the number of concessional prescriptions available for this benefit?

Turning to qualifying service, for those people not involved in the veteran community, an Allied veteran must be aged 70 or more and have qualifying service. ‘Qualifying service’ means they must have been in areas designated as seeing action or they must have been in harm’s way, or some such phrase, and of course have been an Australian resident for 10 years or more. This is not an insignificant increase in the budget, but the opposition supports the government on this particular proposal.

The other major area of this bill refers to the extension of the war widows pension to all war widows who have remarried. They will all now get the pension. Previously, if you were a war widow who had remarried before 1984 you did not get the pension. In 1984 the Labor Minister for Veterans’ Affairs, Senator Arthur Gietzelt, was able to convince the government of the day, the Hawke government, that this restriction should be lifted. In the argument over cost it was lifted only for those widows who remarried after 1984. Those who had already remarried before 1984 were not able to get the war widows pension. The government has now taken the decision to remove that restriction so that all war widows, no matter when they remarried—of course, being a war widow means you have qualifying service—will get the pension.

I have to say that there has been an ongoing campaign with many governments by the War Widows Guild and the veteran community to remove this restriction. Though there were a number of inquiries, it was very difficult to argue why there should be a cut-off date of 1984. In those days I suspect that my former colleague Senator Gietzelt found it difficult enough to convince Treasury and Finance to make the concession post 1984 and that he had to put up with a compromise that said, ‘You can do it for the future ones, Arthur, but you can’t do it for the ones up until 1984.’ I think the bean counters in Treasury and Finance had some success in what they would have seen as restricting the availability of the war widows pension, but it did leave a very awkward anomaly in that a lot of war widows who had remarried who thought they were eligible felt that they were being harshly dealt with because they had remarried before 1984 compared with those who had remarried after 1984.

I also want to make a comment generally about the war widows pension and the supplementary pension. The government would be aware, as we are in the opposition, that there has been considerable lobbying in the veteran community for an increase in the general rate of the war widows pension. In the restricted financial circumstances that this present government has now placed us in, with the reduction in the surplus from $14 billion that it was supposed to be this year down to $1½ billion, lots of these quite reasonable requests from the veteran community will not be able to be met automatically by the Labor Party if we are in government in a few months time or the coalition government if, unfortunately, it continues in power. But I think one area that can and ought to be looked at as a priority in the war widows area is the supplementary pension. I think an increase in the supplementary pension should have a higher priority than any increase in the war widows pension because the supplementary pension goes more to people with real need. Everyone gets the general pension. Some may ask, ‘If Kerry Packer were a veteran, would Mrs Packer really need an increase in the war widows pension if she were eligible for it?’ You would say no. But, for somebody coming from a low income background with the pension as their sole source of income and livelihood, an increase in the supplementary pension would do more good than any increase in the general pension if you had to prioritise where you spend the money.
I note the estimate of how many war widows disaffected by the 1984 decision are still alive in 2001. In 1998 the government estimated that some 4,500 war widows pension recipients were alive in 1984, with an average age then of 64. The government estimated that there were about 4,100 war widows who had not received the pension prior to 1984 who were still alive as at 1997, with an average age of 77 years. Obviously, because of the normal rate of mortality in the human race, some of those people have passed away, so we are looking at a figure of fewer than 4,500. That is not a large number of recipients, but it is a very important number who will have that anomaly removed.

I re-emphasise, because some people have been very critical of this anomaly, that up until 1984 any war widow who remarried did not get the pension. The change was made in 1984. It did not go all the way, but it meant that all those who remarried after the 1984 decision of the Labor government became eligible for the pension. We congratulate the government on removing this restriction for those who remarried before 1984 and are still alive. I believe that this is a very important and significant measure. In a bipartisan way, the opposition will support the government.

I also want to take this opportunity to speak very briefly on a matter of some heartburn in a small number of cases—that of the payment of the $25,000 to prisoners of war of the Japanese. The government pushed that legislation through this parliament in a matter of a couple of days. At the time the opposition said that, although we supported the measure, it might be useful to take an extra week or so putting it to a committee and having a chance to look at whether there were anomalies in the way in which this matter was being dealt with and whether all the people who got the benefit should get the benefit. I have had a couple of cases raised with me that indicate a difficulty. As I said, there are not a large number of cases. I do not think the government is going to change the legislation, but maybe under regulation there could have been some discretion given to make some payment. I call on the government to give this consideration. I do not think there are many cases, but I think the cases that are there are very heartfelt. It seems particularly hard to me that the children of the veteran do not get the money and the stepchildren of the non-veteran get the money. It is unavoidable; it is what the law says. Although this is not in this bill, I wanted to take this opportunity to raise it. I have written to the minister himself about Mr Lamb’s case. He pointed out what the legislation says.

Tony Lamb, a former member for La Trobe and for Stretton on two different occasions in the federal parliament, pointed out that when he was four years old his father died on the Burma railway. His mother had died previously in the early 1940s, so his father was a widower. His father still joined up, and the kids were put with an aunt and other relatives while he went off to serve Australia. He died on the Burma railway, but because he died after his wife there was no widow. Tony raises the issue: how do you handle the case—not that I think Tony was desperate for the money—where the veteran outlives the widow who died before he gave service? That is one case.

Another case that I heard of is where a veteran came back from the war, was married, had two or three children, the marriage lasted several decades and then, through circumstances that I am not sure of, the veteran and the wife separated and got divorced. The veteran subsequently remarried, but he passed away in the last few months before the government’s announcement. The $25,000 went to his estate. Because the widow died in the past six months, the money has gone into her estate and will go to the children of the non-veteran. I have had this raised with me; is it very fair that the actual children of the veteran who was the prisoner of war get nothing but the stepchildren inherit the $25,000?

I know that when you draw up legislation you cannot draw up a rule to cover every one of these examples, but maybe under regulation there could have been some discretion given to make some payment. I call on the government to give this consideration. I do not think there are many cases, but I think the cases that are there are very heartfelt. It seems particularly hard to me that the children of the veteran do not get the money and the stepchildren of the non-veteran get the money. It is unavoidable; it is what the law says. Although this is not in this bill, I wanted to take this opportunity to raise it. I have written to the minister himself about Mr Lamb’s case. He pointed out what the legislation says.
I have already raised in this place and with the minister the case of Jan Ruff-O’Herne, who is now a citizen, and I got a letter back saying that she was not eligible. I asked if the minister would support an ex gratia payment from the Minister for Finance and Administration of an appropriate amount in view of her suffering and her promotion and publicising of the terrible suffering of the so-called comfort women. She has just received a major award from the Dutch government, although she is now an Australian citizen, for not only the work that she has done in promoting the issue of the comfort women and compensation but also in going to the United Nations. As a result of her work, the issue of rape is now considered as part of the genocide descriptions of the War Crimes Tribunal and the International Criminal Court. That, in itself, is a major achievement for which, for a long time to come, Jan Ruff-O’Herne should be recognised. Again I say to the government that an ex gratia payment to her would be very appropriate.

My time has almost expired. The opposition supports this bill. We have no amendments. I notice that Senator Harris is moving an amendment. I will hear what he has to say and have some further discussion in the committee stage.

Senator BARTLETT (Queensland) (8.36 p.m.)—I speak on the Veterans’ Affairs Legislation Amendment (2001 Budget Measures) Bill 2001 on behalf of the Australian Democrats. The bill gives effect to key initiatives in the budget in the area of veterans’ affairs. Those initiatives are positive ones, and hence the Democrats support this bill. It will amend the Veterans’ Entitlements Act 1986 to fix recognised anomalies in the repatriation system, specifically initiatives to benefit war widows who lost their pensions upon remarriage and Commonwealth and Allied veterans who served alongside Australians during the two world wars and also to apply a change in recognition of superannuation to veterans’ pensions that has already been applied to social security pensions as part of broader changes in the budget restoring the previous treatment that was in place until a few years ago.

The bill restores entitlements to war widows who remarried before 1984 and had their pensions cancelled. I understand that about 3,000 widows are expected to be affected positively by this measure. The Democrats have received many letters from widows on this issue, as have, I am sure, many others in this chamber. The bill also recognises the service of Allied veterans who served during World War I and World War II by granting them eligibility for the Repatriation Pharmaceutical Benefits Scheme. Eligibility will be extended to Commonwealth and Allied veterans who are over the age of 70 who fought alongside Australians in either of the world wars and who have been resident in Australia for 10 years or more.

Finally, the bill will amend the treatment of superannuation assets for those over 55 years of age but under the pension age. As a result of these changes, the government will not include in the income test for social security pensions any money withdrawn from superannuation assets by this age group. The bill makes similar changes to the income testing of payments under the Veterans’ Entitlements Act. While the Democrats welcome these initiatives, we believe it is appropriate to point out those areas in our repatriation system that still need reform and change and those areas that are being highlighted regularly by the various veterans’ advocacy organisations around the country. When speaking to this bill, the Minister for Veterans’ Affairs, Mr Bruce Scott, said:

This government has always worked closely with the ex-service community to identify issues of concern and to address those issues.

Whilst this bill does address some of those issues, quite clearly there are other issues of concern, some of them quite significant, that have not been addressed. The Democrats believe it is appropriate to highlight those on this occasion whilst acknowledging the positive measures contained in the bill. For example, we recently received correspondence from the National President of the RSL identifying the issues that they would like to see addressed in the lead-up to the federal election and these are consistent with the issues highlighted by many other veterans’ organisations.
The seven issues of longstanding concern are: that eligibility for free medical and hospital treatment—the gold card—be extended to all qualified Australian veterans over the age of 70; that all non-qualified veterans who seek a social security pension from Centrelink should not have their DVA pension counted as income when the size of their Centrelink pension is calculated; that the new Military Compensation and Rehabilitation Scheme recommended in the Tanzer report be enacted; that the new Military Compensation and Rehabilitation Scheme be enacted; that existing funeral benefits for veterans be lifted to $2,000; that the war widows income support supplement be unfrozen, or thawed, and indexed; that the Australian National Audit Office recommendation on funding assistance to ex-service organisations to allow them to hire more pension advocates be implemented; and that the Australian War Memorial be funded for extensions to the Vietnam and Korean galleries.

It is appropriate to highlight these areas of ongoing concern to try to generate support from all parties and current and future governments to address these matters. The first issue—that eligibility for the gold card be extended to all qualified Australian veterans over the age of 70—is one which the Democrats have highlighted and supported in the past. I welcome initial signs of a possible turnaround by the Prime Minister on this issue on 26 July on ABC radio—I think in Perth—when he commented specifically on providing the gold card to Korean War veterans. The Prime Minister, Mr Howard, admitted today that there was clearly ‘an overwhelming case that people who are veterans of later conflicts than World War II should receive the gold card at broadly the same time after the conflict in which they were involved took place, as was the case with people from World War I’.

The Democrats have long supported widening access to the gold card to all Korean War veterans once they reach the age of 70 and believe the same policy should apply to Vietnam and other veterans. We also support extending access to those World War II service personnel who enlisted but were not sent into war zones, including BCOF members who served in Japan after 1945. Many veterans have written to me and to other Democrat senators, and I am sure to other members of parliament, about the gold card campaign. I have assured them that the Democrats recognise the special obligation the nation owes to veterans. They were healthy when they enlisted and they went where they were sent. If they need medical care now, I believe we have an obligation to provide it.

The second point, which is one that has been raised many times before in this place, including by the Democrats, is that non-qualified veterans who seek a social security pension from Centrelink should not have their DVA pension counted as income when the size of the Centrelink pension is calculated. When I first entered the Senate close on four years ago, on behalf of the Democrats I committed to raising this issue and trying to get it addressed and voted on in the Senate. It has been raised in Senate speeches and also in estimates committees through questions of the relevant minister. It was not until June last year, with the Social Security and Veterans’ Entitlements Legislation Amendment (Miscellaneous Matters) Bill 2000, that the opportunity arose to put the amendment. It was pleasing to see the support of the Labor Party, through Senator Schacht, for that amendment. Labor are strongly on the record as supporting the initiative. We will try to hold them to this in the future.

The bad news is that the amendment that was passed by the Senate was defeated twice in the House of Representatives by the coalition, so it has been unsuccessful at this time. I note that the then Minister for Family and Community Services, Senator Jocelyn Newman, who was handling the legislation in the Senate, indicated that the government would examine the issue in a budget context. Unfortunately, we now know that the government, whilst they may have examined the issue, did not address it in the budget. This is despite the fact that a number of veterans I spoke to before this year’s budget who had lobbied the Minister for Veterans’ Affairs on the issue said they had received encouraging signs from the minister. It was disappointing for those veterans that there was no move-
ment on this issue in the budget. If leaked memos that appeared prior to the budget are any indication, the Minister for Veterans’ Affairs did recommend and did try to get this change made but he was knocked back by the Expenditure Review Committee, which is a great shame, because it is a clear-cut anomaly that has been identified for many years. Indeed, it was identified by the coalition in their own policy documents before they came into government in 1996. Throughout that time, whilst they have examined and acknowledged it, it has still not been addressed. It is still a clear issue of concern for many veterans’ organisations and individual veterans.

Another issue which was notably absent from the budget was the rate of the totally and permanently incapacitated, TPI, pension. TPI advocates have for some time been seeking an increase in the TPI rate, highlighting its loss of value against the male total average weekly earnings. The failure to index this pension to the male total average weekly earnings has meant that, unlike some other pensions, its value overall has declined over time. It is currently about 48 per cent of MTAWE and, although CPI indexed, has failed to keep pace with MTAWE. The Democrats support the indexation of veterans’ pensions and compensatory payments to male total average weekly earnings or CPI, whichever is greater, as we do with regard to social security pensions. We have long argued that all pensions—including, for that matter, the war widows pension and the service pension—should be indexed more regularly: quarterly rather than six monthly.

Having read with interest the submissions from the Australian Federation of Totally and Permanently Incapacitated Ex-Servicemen and Women and the Vietnam Veterans Federation on the inadequacy of the TPI rate and their proposals for rectification of this matter, I have written to Minister Scott in the past expressing the Democrats’ concern at the erosion in the rate of TPI and requesting that he take the issue to federal cabinet for consideration and addressing. Again, the government did not address this issue in the 2001 federal budget. I certainly hope that it will be an issue that does get some focus in the lead-up to the election.

Finally, I would like to briefly point to the issue of the war widows income support supplement, which has been frozen since 1986 at around $120 per fortnight. The widows who qualify for the income support supplement are often amongst the neediest in our community. The supplement is available only to those women who have no other income except the war widows compensation. Many have not worked outside the home, they have looked after their veteran husbands and they do not have superannuation. If they are renting, they are in particular trouble as rents certainly have risen quite a bit since 1986 when the income support supplement was frozen. Again, this is an issue that disappointingly was not addressed in the federal budget or in this bill.

However, the Democrats do acknowledge the measures that are addressed in this bill. Indeed, another measure in the budget that was also included was the payment to prisoners of war of the Japanese, a measure that we also supported at the time. But we are concerned that longstanding issues of concern for veterans continue to be ignored or not addressed by the government. Certainly the Democrats pledge to continue to try to highlight and be a voice for those issues of concern to the veteran community. Having said that, we do support this bill and the measures contained within it and congratulate the government on those. We do not have any amendments to move and will listen to Senator Harris’s argument in relation to the amendments that he will put forward.

Senator HARRIS (Queensland) (8.48 p.m.)—I rise to speak on the Veterans’ Affairs Legislation Amendment (2001 Budget Measures) Bill 2001. The bill refers to the veterans of World War I and World War II. As other senators in their speeches in the second reading debate have made reference to ‘other veterans’, I will do the same, but in doing so I am in no way saying that any defence personnel is greater or lesser than any other. Last Saturday, 18 August, was the 31st anniversary of the Battle of Long Tan. As I indicated to the members in the chamber earlier, I seek the leave of the Senate to in-
corporate into *Hansard* a speech on the dedication of Vietnam Veterans’ Day in Mareeba by John Newman.

Leave granted.

_The speech read as follows—_

DEDICATION VIETNAM VETERANS’ DAY

Mareeba 2001

We of different faiths and some, perhaps of no particular faith, gather today as one to remember those of the Australian Armed Services who gave their lives in or a result of their involvement in the Viet Nam War.

We dedicate this day to their memory lest they and their noble deeds be forgotten and pass into oblivion. Like those of our nation who have deservedly won the respect and gratitude of its citizens in recent years in Peace Keeping Forces in various parts of the world, they went as representatives of Australia to Viet Nam. There they served with distinction and honour in accord with the highest standards and the very best of Australian Military tradition. But, unfortunately, they did not receive from all sectors of the Australian community the gratitude and respect which they deserved and to which they were justly entitled.

We dedicate this day also to all who survived that war, especially those who suffered physical and psychological wounds which, in so many cases, prevented their ever being able to resume their normal lives that were interrupted by their war and post war experiences. We dedicate this day too to their families and spouses who suffered along with them, especially when the damage of war service done to their lives made it impossible for them to resume the relationships that they had enjoyed and cherished beforehand.

The cost of war service is very high, its price list is long and varied. Lord God, may all in this nation remember with due gratitude every one of its Armed Service personnel who paid that price by being involved in the Viet Nam War.

BLESSING:

God our Father, we thank you for our gathering today. Grant to the surviving Viet Nam veterans gathered here on this occasion a convivial time together at the conclusion of this service, bless them with health and prosperity in the future and the opportunity to gather again in memory and solidarity in another years time. We ask this through Christ our Lord. Amen

**Senator HARRIS**—I thank the Senate. There are three major parts to the bill that the government is introducing, the main one being the extension of access to the Repatriation Pharmaceutical Benefits Scheme, RPBS, for Allied veterans. These Allied veterans will come from countries such as France, Brazil, Canada, Singapore and approximately 40 other very interesting and varied countries, many of them with economies many times the size of our own. The list is obviously very long. I cannot declare more strongly that the responsibility for those veterans belongs with their own countries and not Australia. The Minister for Veterans’ Affairs stated in his media release on 22 May this year:

... this Government has worked hard to advance the interests of Australia’s veterans by addressing areas of need identified in close consultation with ex-service organisations.

That is very commendable. However, the first part of this bill extends pharmaceutical benefits to those who did not fight in World War I or World War II as Australian soldiers. They were not Australian veterans. Their only association with our men was purely on an Allied basis. They were not fighting as Australian soldiers but there solely by chance or association. They were neither Australian citizens nor Australian soldiers, and any benefits they are entitled to from their war service originates from within the countries they represented during their fighting years. I have great difficulty in agreeing to extending any benefits to any veterans other than our own, and I clearly indicate to the Senate that there I include— as I do in the amendments that I will move in the committee stage—those from New Zealand. So I find it difficult to extend any benefits to any veterans other than our own, irrespective of their resident time frame upon our shores.

This section of the bill does not even specify a condition for Australian citizenship. Any legislation that comes into being in this country should be based on conditions of receivership, based on people’s uptake of their obligations as Australian citizens. It is to Australian citizens only that we owe our allegiance. People who choose not to take up Australian citizenship obviously do not have Australia’s best interests at heart. It appears that the government has no limits in extending its largesse to all and sundry, with no
reciprocal responsibilities or commitments required by those so willing to enrich themselves at our expense. There is no precedent for this level of generosity in any other country on the globe. We are truly a country of extravagant gifts. It leads me to cynically wonder if this is another vote buying exercise by the government.

I reiterate my earlier comments about having a responsibility to Australian citizens. I would like to raise a couple of issues that were relayed to me last week from the Vietnam Veterans Association. The Vietnam Veterans Association at this time are camped on a pastoral property called Kalpawer in Queensland. It is not that they have not attempted to have their issue raised in the proper manner. They have approached the federal government; they have approached the Queensland state government. Neither of those governments has indicated a willingness to assist them. I travelled approximately 900 kilometres in a round trip to spend one evening with these guys. As I rolled my swag out beside them under the Southern Cross, they raised the very relevant issue that the flag of the country they had fought for bears the symbol of the Southern Cross. It was that same Southern Cross that we were sleeping under that night. They challenged any man or any government anywhere in this country to tell them that they cannot at their discretion camp out under those stars anywhere in Australia. I believe it would be a very brave government that would come out and say that they do not have that right after having served their country in that way.

Again I must ask the minister why this generous donation of taxpayers’ funding cannot be more appropriately directed to our own needy veterans and their families. Many of these families are now acting as carers for their loved ones who are World War I and World War II veterans and who are now placing heavy nursing requirements upon their families. These family members would be only too grateful to have respite facilities to ease the burden and give them some degree of temporary relief. A loving, caring home environment is the optimal arrangement for these people. But even love has some limitations once exhaustion has set in. The opportunity for offering top quality health care facilities to these people should not be missed. We owe it to these soldiers. They, in the prime of their life, willingly offered Australia and its citizens their most precious gift, their lives. We should also recognise that, of those of the Australian Defence Force who went to Vietnam, 501 did not return. These people, the ones that we are speaking about this evening, are the fortunate ones who were lucky enough to come home. These people never asked for any special services, benefits or privileges. Australia took up the social responsibility to care for these returned servicemen as their needs arose. This was an obligation that we as a country owed to these people, an obligation that we took upon ourselves willingly and with gratitude.

We also have to look at the looming responsibilities that we as a nation will have towards our Vietnam veterans when the time arises. These returned servicemen will require and expect relevant assistance when needed and no doubt will be justifiably resentful should there be any attempts to limit our liabilities while at the same time upholding payments to non-Australian soldiers. The logic is going to be very difficult to justify.

I am aware that the rationale for the range of medicines and treatments on the RPBS and not on the general Pharmaceutical Benefits Scheme is that some conditions arising from war service and/or present in the veteran population should be covered. However, the examples quoted in the government’s explanatory memorandum go to such things as nicotine patches and Viagra. These are argued to be needed for stress related conditions arising from war. Bandages are also covered under the RPBS, but not under the public PBS. Again, the ordinary elderly Australian citizen is not considered needful of such basic medical requisites, yet non-Australian World War I and World War II soldiers are. How do we justify the issuing of Viagra for stress relief for non-Australian soldiers while at the same refusing this medication for Australian citizens of the same or comparable age in equal need of the medication?
I reiterate my objection to this part of the bill and its granting of taxpayers’ funds to soldiers whose only association with Australia was by accident, military orders, conscience or plain good luck and not by any direct loyalty to or empathy with Australia. I would strongly support this bill if the funds were restricted to Australian soldiers and their New Zealand counterparts, who were part of our heroic Anzacs. These gallant men were united by a combined goal to protect our South Pacific area, to the benefit of all. We have not only close economic ties with New Zealand but also close historic and defence ties. These links need to be recognised and supported. Thus, I will move an amendment that limits the benefits, with very justifiable reasons.

The second major part of the bill relates to the reinstatement of widows pensions to those war widows who were foolish—and I say that with tongue in cheek—enough to fall in love and remarry before 28 May 1984. Others were more astute and married after this important date.

These women did not choose to lose their husbands, but like their husbands they too were to be victims of the terror of war and they have had to live with the consequences ever since. With 107,953 war widow pension recipients at June 2000 and an estimated 4,000 war widows to be the recipients of this reinstated pension—at an estimated cost of $52 million to $65 million over four years—an asset test should be applied under some circumstances.

I have covered the sections of the bill that I think require the most attention and are therefore of the greatest concern. My justification for raising these issues is based on the use of taxpayers’ funds in the most responsible manner, given our budget limitations and our social responsibilities, not only to our veterans and our war widows but also to our grossly underfunded health and aged care facilities. I feel these areas in particular are in dire need of massive injections of additional funds and, should conscience exist or even play a part in our decisions, I have placed on record my views on the justice and injustice of this interesting piece of legislation.

Senator ABETZ (Tasmania—Special Minister of State) (9.03 p.m.)—I thank honourable senators for their contribution to the debate on the Veterans’ Affairs Legislation Amendment (2001 Budget Measures) Bill 2001. The sixth Howard budget delivered more benefits for the veteran community, and this bill deals with three aspects of those benefits. I think honourable senators have adequately canvassed the provisions in the legislation.

With the greatest respect to Senator Harris, his suggestion that we should not include veterans from other countries in the provisions of the legislation is not one that we as a government will agree to. His first argument was that some of these people came from economically stronger countries. I am not sure that any economy currently enjoys the growth rate that the Australian economy is enjoying as a result of our good stewardship. However, even if we were to talk about the overall strength of the economy, what about a Kenyan veteran or an Indian veteran? Do you say that the Indian government or the Kenyan government has as good a capacity to look after these veterans? I add that the qualification is that they have to be over 70 years of age and they have to have been resident in Australia for 10 years. So these are not opportunists who come to Australia just to try to cash in on some veterans benefits; these are people in the latter years of their lives who have been here for some 10 years.

I also say to Senator Harris that the assertion that this is somehow a vote buying exercise is most distasteful. If it were a cynical vote buying exercise, surely we would have made the legislation to the effect that you have to be over 70 and an Australian citizen. But the qualification is that you have to have been resident in Australia for 10 years. So these are not opportunists who come to Australia just to try to cash in on some veterans benefits; these are people in the latter years of their lives who have been here for some 10 years.

I also say to Senator Harris that the assertion that this is somehow a vote buying exercise is most distasteful. If it were a cynical vote buying exercise, surely we would have made the legislation to the effect that you have to be over 70 and an Australian citizen. But the qualification is that you have to have been resident for 10 years. As a result, a lot of people who do not even get the vote will benefit from these measures. Undoubtedly, there will be some other condemnation of the government for doing that, but you cannot condemn this as a cynical vote buying exercise.

The most amazing comment of Senator Harris’s was that the Allied forces were somehow together solely by chance or association and that there was really no greater
bond between them. I would invite Senator Harris to go to the Menin Gate, where the Belgian community pays great tribute to Allied veterans. I had the great honour to be there when they played The Last Post. They played that at 8 p.m. every night. They did it after World War I. There was a very short period after World War II when they could not do it. I stood there, tears welling in my eyes, thinking, ‘Eric, get a hold on yourself. This is embarrassing.’ But I looked around and realised that everybody else was crying as well.

I tell honourable senators who make comments like that that, when you experience something such as the ceremony at the Menin Gate or if you go to France and the Villiers Bretonneux—and you will never forget the Australians emblazoned in the school quadrangle—you will understand that the blood of these men and women who fought for freedom is intermingled in the soil of Europe and in the theatres of Asia. That intermingling of their blood was not solely by chance or somehow by mere association; that was a deep commitment by Allies right around the world who fought for freedom and for the values that have held this country in such good stead in its 100 years since Federation. To try to say that the Allied effort was just some sort of get-together that has not brought about a greater bond between those nations that fought for and won freedom, quite frankly, astonishes me. I think that any Australian who has been to Gallipoli, or to the Menin Gate, or to Villiers Bretonneux or, I am sure, to many other places around the world, would take great exception to Senator Harris’s contribution, which I think defies history and defies the personal experience of so many people around the world.

We, as a country, are very fortunate. We are in an economically strong and sound position. We, as a government, have made a determination that—I repeat the qualification, and it is a pretty stringent one—to survive for 70 years of life after you have been in the theatres of war is, in itself, a pretty good milestone. But then you also have to have been a resident of this country for 10 years. So it is not simple opportunism or that they have come here to gain some veteran benefit; they have to have been here for some 10 years. The fact that we are able to do this is indicative of our approach of trying to be as generous as we can be. Some, of course, criticise us because we have not made the gold card available to this group of veterans, and some people would want us to go a lot further. Senator Harris seems to argue that we should not go as far.

In relation to the references that the honourable senator made to the Vietnam veteran community, I am not quite sure—and I will have to seek detail or suggest that he provide detail to Minister Scott—what he meant by the reference to Vietnam veterans being able to sleep under the Southern Cross. I must say, with respect, that Senator Harris lost me. I am not sure of the detail of that. I am not sure whether it occurred on somebody’s property. I am not sure of the circumstances. Suffice to say that the Vietnam community in this country got a terribly raw deal for a long, long time. The gesture of former Prime Minister Paul Keating, on behalf of the Labor government, to hold a memorial service in Canberra, was welcomed by the Vietnam veteran community and was a long overdue recognition. Might I add that it is one of those bizarre things in political life that if a Liberal-National Party government had done it then it may well have been seen as political point scoring. But the fact that a Labor government did it was very good and really healed a lot of the wounds from that conflict, from our involvement in it and, most importantly, from what I consider to be the shabby treatment of that veteran community until recent times.

We still have a long way to go, but since the initiation of the healing process by the Keating government—and I pay tribute to them for that—we have had the Vietnam Veterans Health (Morbidity) Study and we have sought to implement the recommendations of that. We are still following up on other outcomes of that to try to provide as much assistance as possible to the Vietnam veteran community. To say, ‘Let’s support some Australian Vietnam veterans as opposed to some people who mightn’t even be Australian citizens—heaven help us,’ is to
try to run the sort of politics of division that is not welcome in this country and that is especially not welcome within the community that we are seeking to assist with this legislation. It is a very unfortunate contribution to this debate, especially in the context of the veteran community.

I turn to the comments of Senator Bartlett. I will not be too harsh on him because I understand that the Australian Democrats are supporting this legislation. In my weaker moments every now and then I think, ‘Oh, to be a Democrat.’ You can promise everything to everyone without having to balance a budget. It is not what Senator Andrew Murray would call Realpolitik. Basically, we have to balance what we would like to do with budgetary restraints. Whilst I can accept that it would be nice to deliver on all the items that Senator Bartlett has raised, there would be certain consequences to the budget. As I have attended many RSLs in my home state of Tasmania and the state conference from time to time, I am pleased to report that, in general terms, the veteran community is pleased with the progress that we are making in dealing with the needs of the veteran community. Whilst we are able to deal with some issues at a time, it is virtually impossible to deal with all issues all the time. It is very easy for a party that will never have to make government policy to suggest what ought to be done.

I simply say that we, as a government, recognise that more needs to be done for our veteran community, and indeed for the Vietnam veteran community as well. Senator Schacht made some contributions and, for Senator Schacht, I think they were quite gracious. He could not quite bring himself to say that this was a generous measure so as a result he had to use a double negative and tell us it was ‘not insignificant’. I think that really means that it was a significant measure and for that I thank Senator Schacht. I will deal with some of the issues that Senator Schacht raised. He raised the issue of the $25,000 compensation for the Japanese prisoners of war. My understanding is that special circumstances will certainly be considered, but of course not all circumstances.

**Senator Schacht**—Sorry to interject, but that from—

**Senator ABETZ**—That was from a note from the advisers—

**The ACTING DEPUTY PRESIDENT (Senator Murphy)**—I suggest that we deal with the question in committee.

**Senator ABETZ**—If you are happy, Mr Acting Deputy President, I am happy to take the interjection, just so long as it—

**The ACTING DEPUTY PRESIDENT**—We will conclude the second reading debate and then we will deal with questions in committee.

**Senator ABETZ**—In relation to the restoration of the widows’ entitlement, I understand that, as at Friday, 17 August, there had been 2,728 inquiries. The budget had estimated 3,000. Chances are that unfortunately some of those 2,728 will in fact turn out not to be eligible, so it is very hard to put a figure on that. In relation to the cost of pharmaceutical benefits, the numbers of veterans from Commonwealth and Allied countries can only be estimated based on the 1986 ABS survey and mortality rates, as well as DVA’s own statistics and Health Insurance Commission data and Health and Aged Care figures. That is the basis of the calculations, but how exact they are will remain to be determined when these veterans make their applications. I thank honourable senators for their contributions in the second reading debate.

Question resolved in the affirmative.

Bill read a second time.

In Committee

The bill.

**Senator HARRIS (Queensland)** (9.18 p.m.)—I foreshadow that I shall move the following amendments:

1) Schedule 1, page 3 (after line 5), before item 1, insert:

1A** Subsection 5C(1)**

Insert:

New Zealand veteran means a person who rendered continuous full-time service as a member of:

(a) the naval, military or air forces; or
(b) the nursing or auxiliary services of the naval, military or air forces; or
(c) the women’s branch of the naval, military or air forces;
of New Zealand during a period of hostilities.

(2) Schedule 1, item 2, page 3 (line 24), omit “Certain veterans and mariners”, substitute “New Zealand veterans”.

(3) Schedule 1, item 2, page 3 (line 26), omit “Commonwealth veteran, allied veteran or allied mariner”, substitute “New Zealand veteran”.

(4) Schedule 1, item 2, page 4 (lines 1 to 3), omit “or mariner” (wherever occurring).

(5) Schedule 1, item 2, page 4 (lines 4 and 5), omit Note 1, substitute:

Note 1: For the meaning of New Zealand veteran, see subsection 5C(1).

(6) Schedule 1, item 2, page 4 (lines 6 to 11), omit “or mariner” (wherever occurring).

(7) Schedule 1, item 2, page 4 (lines 12 to 14), omit “Commonwealth veteran, allied veteran or allied mariner”, substitute “New Zealand veteran”.

(8) Schedule 1, item 2, page 4 (line 18) to page 5 (line 4), omit “Commonwealth veteran, allied veteran or allied mariner” (wherever occurring), substitute “New Zealand veteran”.

Amendments (9) to (13) are alternatives to (1) to (8)

(9) Schedule 1, item 2, page 4 (lines 26 and 27), omit paragraph (c), substitute:

(c) has been an Australian citizen for at least 10 years.

(10) Schedule 1, item 2, page 4 (line 29), omit Note 2.

(11) Schedule 1, item 2, page 4 (line 30) to page 5 (line 4), omit subsection 93M(2).

(12) Schedule 1, item 2, page 6 (line 22), omit “resident”, substitute “citizen”.

(13) Schedule 1, item 2, page 6 (line 25), omit the Note.

I would like to briefly speak to One Nation’s amendments to the Veterans Affairs Legislation Amendment (2001 Budget Measures) Bill 2001. In doing so, I would like to place very clearly on record that, contrary to Senator Abetz’s comment, it is not One Nation’s intention to divide; it is our aim to unite. The amendments that we have brought to this chamber have been drafted after consultation with groups of veterans who are dissatisfied with the bill, in that they believe that the Australian government should provide the additional services only to Australian or New Zealand veterans. They very clearly set that out.

In no way does Pauline Hanson’s One Nation imply that those people residing in Australia who are Allied vets should not receive comparable services and facilities, but what we are saying is that the responsibility for providing them remains with the country that they served under. We are not saying that they should not receive the benefits; we are saying who should pay for them. I do not believe that anyone who has resided here for 10 years is an opportunist but I believe that, if they have resided here for 10 years, then they should accept Australian citizenship. We are not even talking about whether a person has contributed to the wellbeing of this country, because they may have been 60-odd years of age when they arrived here, and that would clearly give them benefits under the government’s bill. So we are not even saying that the fact that they have not contributed to the economy of Australia is a factor. What we are saying is: yes, they are entitled to the benefits, but no, Australia should not pay for them; the governments under which they served should.

The amendments that we will be moving are to alter the bill so that the only non-Australian citizens who are eligible for these benefits are New Zealand citizens. The majority of the amendments that we will move are consequential to alter the bill to reflect that.

The one amendment that does not relate to that New Zealand focus is amendment (9) on page 4. It omits paragraph (c) and substitutes that the person ‘has been an Australian citizen for at least 10 years’. I believe it is not too much to ask that a person who is receiving the benefits from our economy is a citizen of Australia. With those few short remarks, I commend the amendments to the chamber.

The TEMPORARY CHAIRMAN
(Senator Murphy)—Senator Harris, we are
dealing with amendments (1) to (8) in this block, not (9).

Senator HARRIS—I have foreshadowed amendments (1) to (13) together.

The TEMPORARY CHAIRMAN—No. You sought leave to move (1) to (8) together, and leave was granted. That is what we are now dealing with.

Senator HARRIS—My apologies, Chair. It is my clear understanding that leave was granted to move (1) to (13) together. I will take your direction. I will move (1) to (8) if you require that.

The TEMPORARY CHAIRMAN—It was (1 to (8). The amendments (9) to (13) are alternatives to amendments (1) to (8). So it would be a bit difficult for you to move them together.

Senator HARRIS—Then I move amendments Nos (1) to (8):

(1) Schedule 1, page 3 (after line 5), before item 1, insert:

1A Subsection 5C(1)

Insert:

New Zealand veteran means a person who rendered continuous full-time service as a member of:

(a) the naval, military or air forces; or

(b) the nursing or auxiliary services of the naval, military or air forces; or

(c) the women’s branch of the naval, military or air forces;

of New Zealand during a period of hostilities.

(2) Schedule 1, item 2, page 3 (line 24), omit “Certain veterans and mariners”, substitute “New Zealand veterans”.

(3) Schedule 1, item 2, page 3 (line 26), omit “Commonwealth veteran, allied veteran or allied mariner”, substitute “New Zealand veteran”.

(4) Schedule 1, item 2, page 4 (lines 1 to 3), omit “or mariner” (wherever occurring).

(5) Schedule 1, item 2, page 4 (lines 4 and 5), omit Note 1, substitute:

Note 1: For the meaning of New Zealand veteran, see subsection 5C(1).

(6) Schedule 1, item 2, page 4 (lines 6 to 11), omit “or mariner” (wherever occurring).

(7) Schedule 1, item 2, page 4 (lines 12 to 14), omit “Commonwealth veteran, allied veteran or allied mariner”, substitute “New Zealand veteran”.

Schedule 1, item 2, page 4 (line 18) to page 5 (line 4), omit “Commonwealth veteran, allied veteran or allied mariner” (wherever occurring), substitute “New Zealand veteran”.

Senator SCHACHT (South Australia)
(9.23 p.m.)—The opposition opposes the amendments moved by Senator Harris on behalf of One Nation. I thought the parliamentary secretary was quite eloquent in pointing out the principle of this measure and the historical fact that it was not a coincidence that we ended up in alliances in the Second World War—the worst war the world has ever seen, in which some 50 million people lost their lives—to defeat fascism in its different forms.

It is true that a longstanding principle has been that each country provide the benefits to its own veterans wherever they may subsequently live. That has been a general principle accepted around the world. In that sense, if Senator Harris were consistent, he would not be moving to put the New Zealanders in. They have their own repatriation system. We oppose this measure. I am not sure that Senator Harris understands that the biggest group of Allied veterans who are not Australian citizens and who would be eligible are immigrants from Great Britain—the home country. Sometimes, when I listen to the remarks of One Nation supporters, they seem to have a great attachment to British values, to the old country, et cetera. They also seemed to have an attachment, as demonstrated in the referendum of two years ago, to the existence of the monarchy and the Queen of Great Britain as our head of state. So I am bit surprised that Senator Harris—

Senator Abetz—Would Heather Hill qualify?

Senator SCHACHT—Good point, Senator Abetz. I am therefore somewhat surprised, Senator Harris, that the biggest group of Allied veterans who will get the benefit are British—good Anglo-Saxon British—who have had connections to this country, as you proudly say, for the last 200 years.
I would also point out that it is rather demeaning to start picking and choosing veterans. I mentioned in my second reading contribution that some time ago, as shadow minister, I met some Russian veterans from the Second World War who had migrated to this country in the 1980s. Many thousands of them are Jewish. My colleague Mr Danby, the member for Melbourne Ports, invited me to his electorate to attend a meeting at St Kilda Town Hall to meet veterans who wanted access to some of these benefits. The Russian rouble exchange rate at the moment means that Russian pensions are not worth very much at all. I had expected to go to a meeting in a supper room of the St Kilda Town Hall and meet 20 or 30 people. To my astonishment, it was in the main hall of the town hall and there were 600 or 700 people present. Not all were veterans. They had their families with them—their children and their grandchildren. I am told there are several hundred such veterans. At the end of the meeting, I had the opportunity to speak privately to a number of them. Senator Abetz may not like this, but many of them were still wearing their Soviet uniforms from the Second World War. They wore large numbers of medals down either side of their uniform. It is the style of the Soviet Union to issue large numbers of medals and decorations. At the end of the meeting, I spoke to a woman who would have been in her very late 70s and who was barely five foot tall. She was in civilian dress but with a large number of medals. I asked her, ‘Were you in the Soviet women’s auxiliary?’—that is, behind the lines doing auxiliary work. Well, did she give me three rounds of the table. No, she was not. She was in the Women’s Infantry Battalion and had fought at the battle of Stalingrad, through one of the most horrific battles. It was one of the biggest turning points—

Senator Abetz—It is a wonder you survived!

Senator SCHACHT—It is a wonder she survived?

Senator Abetz—No, you.

Senator SCHACHT—Yes, I was somewhat taken aback and I was very apologetic. She explained that she went through that battle, and for the next 3½ years, with her infantry battalion, she fought her way right across the rest of Russia, Central Europe, to the liberation of Prague. This is a veteran whose contribution to the defeat of Nazi Germany is second to none. Senator Harris, I want you to tell her to her face—if you ever meet her—‘You are not deserving of a pension.’ I want you to say that.

Senator Abetz—And the Russian economy cannot afford it.

Senator SCHACHT—The reason they want access to the benefits is that the Russian economy cannot afford to pay benefits to give at least some dignified standard of living to these Russian veterans. There are not thousands of them, Senator Harris: I am told that there may be six or seven hundred in total in Australia. All historians of the Second World War would say that, if it were not for the contribution of the Russians losing 20 million of their people, we probably would not have won the Second World War—we might not be here today in the country that we are in.

I would also say the same about any number of the Europeans who served in the war. Some of them were partisans, some of them lost families. How would you say to the Polish veterans who fought with the Australians in Tobruk—with the famous Rats of Tobruk—and who, at the end of the Second World War, came to Australia because they did not want to go back to Poland after the Soviet Union established a Communist dictatorship there that they do not deserve a pension? Those Polish patriots fought in 1939 and lost. They fled their country—they usually went to Romania, then got out of Romania and ended up in Great Britain. Indeed, some of them fought in the Battle of Britain as fighter pilots; others joined and formed Polish units. They were with Australians in Tobruk, shoulder to shoulder in the trenches, helping us and our soldiers. My father was not in the siege of Tobruk but he was in the Middle East, and he said that the problem with the Polish soldiers was that they hated the Germans so much they were ‘crazy brave’ in the fighting. They also did not like officers very much and they were
always ill disciplined—off on leave, like Australian soldiers.

Many of them came to Australia and, for the last 50 years, helped build this country. I suspect that many of them have now taken out citizenship. You would say to them, ‘You are not deserving of a pension.’ That is just impossible to sustain. I ask you to go to the Copernicus Club or the Dom Polski Centre in my home city of Adelaide and speak to those who survived a country that lost 20 per cent of its population in the fight against Nazi Germany. I do not know how you would get away with looking them in the face and saying, ‘You don’t deserve this pension.’ They are just two examples of why I think the benefit ought to be paid.

There is a bigger argument that the minister would know: the same group want the extension of the gold card to all Allied service people. This is a big ask: it is probably a $130 million a year increase in the budget outlays, but the issue is out there in the veterans community. We support this measure of the government’s. To say that you are going to give it only to New Zealanders is also an insult to New Zealanders. They were our allies, they were independent and they fought with us, but so did many others. Therefore, I think the amendment is insulting both to New Zealanders and to the rest of our allies from the Second World War. We oppose the amendments, and I trust they will not get much support, if any at all, in this chamber, apart from that of Senator Harris.

I will raise one matter with the minister. I do not want you, Senator Harris, to suddenly say that this is a weakness in the government’s measures. There is one example about Second World War veterans that I would raise with Minister Abetz. During the Second World War—up until September 1943—the Italians were our enemies. After September 1943, they changed sides and supported us. Certainly in the fighting in Italy there were many Italian units and partisans supporting Australians, and it was part of the Allied effort. What is the definition and so on with regard to Italian Allied service people? I understand that a lot of the Italians who were captured by Australian soldiers between 1940 and 1942 in the Middle East—in Libya and Egypt—ended up being brought to Australia as prisoners of war. Because they liked the place so much, many of them stayed here or came straight back a few years afterwards to settle here and be excellent citizens. Though it may be tough on them, I have to say that those people did not actually fight at that time on our side and I presume that they are not eligible for this benefit. That is the only exception. If Italian soldiers fought with us in Italy after September 1943, when they changed sides—and some of the fighting in Italy was pretty brutal—then obviously they deserve the benefit.

There is one last example, a concern which has been raised before in a Senate estimates committee and which I and others have raised. We pay a pension and benefits to some Vietnamese citizens who worked with Australian soldiers providing ancillary services and who were under Australian command in Vietnam during the Vietnam War. Many of them subsequently came out to Australia. One of the issues that has been raised is how to check the records of those who claim they fought with us. The present government of Vietnam, quite frankly, was on the winning side and I do not think it would do much to support anybody from the South Vietnamese side. Again, I just ask this as a technical question. Do we have an ability to check that those who have qualifying service—and some of them have—have reasonable records? With those ‘minor technical questions’, I conclude, affirming that the opposition certainly opposes the amendments from Senator Harris.

**Senator ABETZ (Tasmania—Special Minister of State) (9.36 p.m.)—**I will curtail my remarks. In relation to Senator Schacht’s comments, I think I agree with nearly everything other than his rewriting of history. I am not sure that we would claim that it was solely Communist Russia that gave us victory in World War II. I think the United States of America played a fairly vital part in that as well.

In relation to the Italian example, if I can use that, those who only fought with the Allies would qualify, as I understand it, but those who had previously worn the uniform in opposition would not qualify, albeit that
they might have changed. Nobody who served on the other side benefits under our Veterans’ Affairs Legislation Amendment (2001 Budget Measures) Bill 2001, not even people who were conscripted out of Poland by the Germans and were required to fight with the German army and then, towards the latter part of the war, were able to break out and fight the Germans.

Senator Harris told us that the aim of his amendment was to unite rather than to divide, and then he told us about the ‘veteranary community’, and some wag in the Senate commented to me that he wondered whether the veterinary community was trying to sort the sheep from the goats. Of course, with a New Zealand amendment, one does start thinking about sheep.

Senator Harris says we should give the benefit to New Zealanders; I would like him to explain the basis for doing that. Should we do it on the basis of the strength of their economy or should we do it because New Zealand cannot afford to but Kenya can? Surely the New Zealand economy is more robust than the Kenyan or Indian economies when it comes to being able to pay their veteran community. I can for a moment, I suppose, understand the argument that you do this purely on the basis of Australian citizens—although I do not accept it—but, as soon as you start trying to play favourites in this game, things become complicated. I would have thought you would have to come up with a pretty good reason for granting the benefit to one group of non-nationals or non-Australians and denying it to all the others. I do not know whether it is the robustness of the economy or the incapacity, I should say—which was floated during the second reading contribution. If that is the basis, I would have thought Kenyans, Indians and people who come from countries that are not as economically robust as New Zealand would have a greater claim.

The government has made a commitment to these people. It does not go as far as an extension of the gold card, which some would like. It is relatively generous and, for the record, it is estimated that all up an extra 43,000 people will be entitled to these benefits. Of these, as Senator Schacht quite rightly says, the vast bulk are from the United Kingdom, with over 32,000—

Senator Schacht—32 is it?

Senator ABETZ—Yes. There will be 1,300 or thereabouts from other Commonwealth countries and about 9,000 from other Allied countries. Those are the rough figures but, I repeat, there are fairly rigorous qualifications. You have to be over 70, and you have to have been a resident of this nation for a period of 10 years. I will curtail my comments at that, hoping that the legislation might still be dealt with tonight.

Senator HARRIS (Queensland) (9.40 p.m.)—In relation to Senator Abetz’s question, the reason for including New Zealand is clearly the Anzac connection—Australian and New Zealand forces. That is the clear reason for doing that. It is amazing how people in this chamber can suffer from selective hearing deficiencies. They only hear what they want to hear; they do not hear what is being said. What I have clearly and emphatically said is that we accept that all these veterans are entitled to the benefits. Our difference is that we ask the question, ‘Who pays for it?’ It is not based on the economy of another country or its ability to pay; it is based on the response from our own veterans. They ask the question, ‘Why are we extending this to non-Australian veterans, when we have Australian veterans who cannot even get a TPI?’ That is the basis for the amendments. That is the reason for them. I commend them to the chamber.

Amendments not agreed to.

Senator HARRIS (Queensland) (9.43 p.m.)—I withdraw my remaining amendments.

Bill agreed to.

Bill reported without amendment; report adopted.

Third Reading

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

ADJOURNMENT

Motion (by Senator Abetz) proposed:

That the Senate do now adjourn.
Whistleblowers: Heiner Case

Senator HARRIS (Queensland) (9.45 p.m.)—I rise in this adjournment debate to continue to read into Hansard the legal opinion of Greenwood QC. I continue from the previous debate and commence at item (d).

(d) other incidents of child abuse may exist and remain unaddressed;

and consequently, it may be open to conclude that the Queensland Government knowingly obstructed justice and obstructed the Murphy Select Committee from properly fulfilling its commission as set by the Senate in December 1994.

We are highlighting that there was knowledge within the Queensland Government and CJC in 1995 that what lay at the heart of the Heiner Inquiry was alleged misconduct of certain JOYC staff (and possibly others) engaging in suspected child abuse.

It is our strong view that the new evidence is so serious that it cannot be merely noted in 2001 but should be subjected to a fresh independent Senate examination.

For the benefit of the Senate, and prospective Federal whistleblower protective legislation, we have decided not to touch on every aspect of our concerns but to concentrate on the more substantial parts which go to supporting our position.

We submit that it is unconscionable conduct for any State or Federal Government, which claims to respect the rule of law and fundamental human rights to:

POINT 1:

knowingly order the destruction of public records containing evidence of the alleged abuse of children while in the care of the State or Commonwealth so that the evidence cannot be used, for whatever reason, in particular, holding public officials who were or may have engaged in such alleged misconduct to account (including their superiors who may have been aware of such conduct).

In this regard, there is evidence (yet to be fully explored by an appropriate body) suggesting that the Goss Queensland Government acted in an unconscionable and illegal manner when it knowingly destroyed relevant evidence for the purpose of affording protection to certain accountable Youth Workers and Mr Coyne over alleged offences of criminal assault against children (by whomsoever) placed in the John Oxley Youth Detention Centre by order of the courts or by statute.

The law required that their known alleged misconduct be properly and impartially addressed.

POINT 2:

knowingly order the destruction of public records in its possession and known to be required as evidence for foreshadowed court proceedings for the purpose of preventing those records being used in those proceedings.

POINT 3:

deliberately withhold or conceal relevant information concerning the real status of public records during an appraisal process from its State or Federal Archivist in order to achieve its desire to have such records destroyed by using the archivist’s deceptively obtained approval to destroy such records when knowing that access to them is being sought by a citizen pursuant to law.

POINT 4:

buy the permanent silence of any public official from the public purse in a Termination State or Federal government Deed of Settlement about known alleged abuse of children in a State-run institution for the rest of his or her life.

In this matter, the Deed of Settlement of 7 February 1991 used as the instrument to terminate Mr Coyne’s employment specifically made such demands.

At the time this matter came before the Senate, it was not disclosed that the following form of words in the aforesaid Deed of Settlement “...the events leading up to and surrounding his relocation from the John Oxley Youth Detention Centre” was about or could be argued to cover incidents of alleged child abuse in the period before the Heiner Inquiry was established.

Unquestionably the Goss Queensland Government knew that abuse of children was an issue of concern at the Centre. On 1 October 1989, the Hon Ann Warner, when Opposition spokesperson for Family Services, cited specific incidents of alleged child abuse in The Sunday Sun (1 October 1989 p 19), calling for the incidents to be investigated.

These incidents led directly to the establishment of the Heiner Inquiry, but it seems that other grievances of a similar kind going back to 1988 may have been aired at the Inquiry.

The drafting and use of such an instrument, coming from any government with the assistance of the Office of Crown Law, in effect, indirectly or directly authorises, or, at the very least, condones the abuse of children in State-run institutions.
We suggest that any Minister/officer or agent of the State/Crown, who possessed knowledge of the nature of these alleged unlawful events which they then specifically required not to be broadcast by inserting prohibiting clauses in a State/Crown Deed of Settlement, would be acting outside the law, and would be engaging in prima facie abuse of office, obstruction of justice and misappropriation of public monies for an illegal purpose if public monies were to change hands as part of such a termination of employment arrangement. The facts show that former Minister the Hon Anne Warner and her then Director-General Ms Ruth Matchett possessed such knowledge when executing the February 1991 Coyne/State of Queensland Deed of Settlement.

In all these respects, the law is clear. It prohibits such conduct.

We also suggest that it is open to conclude that the contrived nature of Mr Coyne’s so-called involuntary retrenchment pursuant to section 28 of the Public Service Management and Employment Act 1988 may have knowingly breached the Income Tax Assessment Act 1936 such was the Queensland Government’s rush and desire to rid themselves of him, and consequently may invite Federal intervention at that level alone.

By way of additional evidence showing the contrived and prima facie illegal nature of Mr Coyne’s retrenchment, on 7 February 1997, Solicitors and Notary John Katahanas & Company, acting for Mr Coyne, lodged Writ (No 1130 of 1997) in the Supreme Court of Queensland. Mr Coyne claimed against the State of Queensland:
(a) damages for breach of contract, (b) damages for wrongful termination of employment, (c) damages for breach of statutory duty, (d) damages for deceit, and (e) damages for negligence; against Ms Ruth L Matchett:
(a) damages for inducing breach of contract, (b) damages for breach of statutory duty, (c) damages for malfeasance in public office, (d) damages for termination of employment, (e) damages for deceit;
and against both Defendants:
(a) interest on the moneys claimed in paragraphs (1) and (2) hereof pursuant to the provisions of section 47 of the Supreme Court Act 1965, (b) costs, (c) such further and other orders as may be just in the circumstances.

While Mr Coyne seems to have dropped the action after several months, we submit that the lodging of such a Writ in the Supreme Court of Queensland itself gives rise to the existence of suspected misconduct surrounding the manner in which his career was ended in February 1991.

As far as we know, no out-of-court settlement was reached pursuant to the aforesaid Writ. We request that this grievance be placed before the Senate as soon as possible for consideration. Should the Senate decide to revisit the matter, then we would be pleased to provide a more detailed submission (supported by relevant case law), and, if necessary, to provide oral submissions, as would our client, Mr Kevin Lindeberg.

Yours sincerely
GREENWOOD QC

Madam President, I have risen to speak on this issue and read that QC’s opinion into the Hansard because the Labor Party refused me leave to table it or incorporate it. Hansard records that the former Democrat senator John Woodley spoke passionately on this matter. Senator Woodley said about the Heiner shredding:
... it is totally unacceptable for any Australian government to send to the international community a signal that shredding public records to stop their use in court proceedings or to stop lawful access to them is acceptable conduct in our public and legal administration or in any aspect of public life at all. It brings our reputation as a nation governed by the rule of law into unacceptable disrepute.

I totally—100 per cent—support Senator Woodley’s comments there and commend that the Senate accept Greenwood QC’s legal opinion in the spirit that it has been read into Hansard, therefore accepting that the only way to assess whether the Senate has been misled or held in disrepute is to initiate an inquiry.

Parliament House: Child Care

Senator LUNDY (Australian Capital Territory) (9.55 p.m.)—I rise tonight to talk about the problems of working families in this parliament and in this building. The debate about the provision of child care in this building is a long one, dating back to 1981. Each time that a decision to provide child care has been made, someone has found a way to stall or block it. It is time now to go back to basics in looking at this issue. This government is a major employer and, both as an employer and as the government of Aus-
tralia, it is bound to work within the articles of the international conventions it has ratified. ILO convention 156 on workers with family responsibilities was ratified by Australia over 10 years ago. Unfortunately, this present government has not taken its responsibilities to its workers, or to workers generally, as conscientiously as many governments overseas, or even as have past Australian governments. As an employer, the government has the same responsibilities as other large employers to make provisions for its workers that it requires and encourages in other workplaces. Industries and organisations have long recognised that support for workers with family responsibilities pays dividends in the workplace. And increasingly men as well as women are accepting family and child-care responsibilities. Benefits to employers include increased worker loyalty; increased job satisfaction; reduced stress; reduced labour turnover and training costs; reduced absenteeism; the ability to attract and retain skilled staff; and increased profits.

In the 1980s, as the battle for work based child care in the larger government departments and workplaces was being won, planning for the new and permanent Parliament House, this building, was well under way. The design brief for the new and permanent Parliament House had not included child-care provision but, from the outset, this omission was questioned and received adverse press coverage. Publicity on the difficulties for families caused by parliamentary lifestyles, and the resignation of Tony Staley, a minister, in order to spend more time with his family had prompted consideration of provision for families. Brian Howe protested strongly that the design brief for the new and permanent Parliament House—then costed at $220 million—made no provision for a child-care centre. He complained that:

More as an afterthought, members of parliament were surveyed recently to determine their child care needs. Conspicuous by its absence was any survey on the similar needs of workers in the House.

In 1981 the Joint Standing Committee on the New Parliament House recommended changes to the design brief costing an extra $7.9 million as at June 1981—an increase of 2.7 per cent in the building budget—yet still made no provision for incorporating a child-care facility within the new Parliament House. These and many other later changes make a nonsense of the argument that the design could never be changed to accommodate a child-care centre. However, the 1981 committee requested the Parliament House Construction Authority to set aside a suitable area in the surrounding landscaping for a possible child-care facility. In 1981, it should be noted, only 14 of the federal parliamentarians were women. There are now 57. The profile of the typical parliamentarian was an Anglo-Saxon male of late middle age. Yet even from 1981 the need for child care was accepted. The big question was where. In May 1983, Michael Maher urged that with the reconstitution of the committees in the new parliament the committee for the planning of the new Parliament House would take action to ensure that some form of child-minding assistance would be made available to members. In August 1985 the joint standing committee appointed a sub-committee to examine the need for child-care facilities in the grounds of the new Parliament House.

The *Australian Financial Review* reported in March 1986 ‘plans to convert the exhibition building near the new Parliament House to an 80-place centre for children of public servants and a few, very few, parliamentarians who might need such a centre’. Senator Pat Giles was successful at this time in gaining support for a resolution that read:

That this government, and this parliament ... agree in principle to work-related child care for Australian government employees and will immediately begin negotiations with relevant unions in order to develop a program for implementation.

In her campaign for child-care facilities in the new Parliament House, Senator Giles was supported by the unions, including ACOA and the ACTU. The ACTU argued that it would provide for all employees in the new building, 40 per cent of whom were expected to be women on lower incomes.

Pressure in support of the child-care facility was maintained, with Senator Haines and others questioning the judgment of those whose priorities included tennis courts, a
sauna, a gymnasium, a swimming pool and so on instead of child care that could be used also by staff and visitors. In 1987, a Labor caucus subcommittee was formed to press for a child-care centre in the new complex.

On 9 March 1989, the Joint Standing Committee on the New Parliament House presented a Report relating to a community based child care centre in the parliamentary zone that recommended approval of the establishment of a community based child-care centre adjacent to the provisional Parliament House. This recommendation followed a cabinet decision in November 1988. Funding for the centre was included in the National Capital Development Commission’s 1988-89 capital works program. The centre and site works were to cost $700,000, and an architect was briefed to develop design studies for the committee. Building was to commence early in 1989. A dissenting minority report from Senator Michael Baume, Senator Margaret Reid and two others from the coalition agreed that there was a need for a child-care centre in or near the parliamentary zone but objected on heritage grounds to its siting adjacent to the old Parliament House. Even at this time the ACT children’s services program planning committee identified the parliamentary triangle as the area of highest need for long day care in the ACT.

When the second report of the Joint Standing Committee on the New Parliament House, approving the location and site plans for the new child-care centre, was presented in December 1989, Senator Reid and Senator Michael Baume again added a dissenting report—this time joined by Senator Vanstone and Michael MacKellar. Their dissent was on the grounds that the House of Representatives garden should be restored as nearly as possible to the original layout and condition and that the child-care centre would be better placed outside the parliamentary triangle. This was despite the fact that the plans made it clear that the centre would have been sited in a far corner of the House of Representatives garden, in the area of the ugly squash courts building. This whole area is now sadly neglected. The unsightly brick shed and squash court building remain and the tennis courts are overgrown and dilapidated. Why have the proponents of this ‘heritage’ area been so silent since defeating the child-care proposal?

The Senate debated the child-care committee report in December 1989, and Senator Crichton-Browne, in support of Senator Reid’s blocking of the centre in the gardens—in a rare moment of clarity—said:

[The centre] could have been put inside the new Parliament House as I would have thought that it would serve primarily employees and workers from within this building. Yet that is too logical, too reasonable. We have to plonk it down in splendid isolation in the gardens of old Parliament House.

Progressive surveys over two decades have indicated that there are more than enough potential users of a child-care facility here to make it viable, and more surveys are planned. Quite recently a preliminary survey, ‘Childcare request for information’, was circulated to seek staff profile information from personnel sections and supervisors. A follow-up staff survey is planned. We ask that these be used as a basis for action, not inaction. We are not asking for special privileges here. We expect that such a facility would be based on a user-pays principle, with the parliamentary departments as the designated employers providing the workplace based child care.

Of course, we realise that many reasons will be advanced as to why our proposals for child-care provision within Parliament House would not be possible. But it is, of course, possible. We have identified little-used areas in this building, spacious enough for a child-care facility that could indeed be used if the political will was there. The demand will not go away; it will only increase. All that is needed is that political will to achieve what is the most basic of worker entitlements.

**Roe, Mr Paddy**

**Senator RIDGEWAY** (New South Wales—Deputy Leader of the Australian Democrats) (10.04 p.m.)—I would like to bring to the Senate’s attention the passing of a great Australian who was a leader in his own community and someone who generously shared his great wisdom and understanding of our ancient country with all
Australians. His name was Paddy Row, and he was a Nyikina lawman. He was born about 1912 on Roebuck Station, about 25 kilometres east of Broome in Western Australia. His mother worked on the property as a housekeeper in the homestead, and his natural father was a non-indigenous man.

This was around the time that non-indigenous Australians were establishing the vast pastoral companies that still exist today, making it a time of great upheaval and change for the Nyikina people. Not only did the pastoralists bring sheep and then, later, cattle; they also brought economic development and the ugly biproducts of racial intolerance, foreign diseases, alcohol and other substances that the communities had very little chance of adjusting to. Another of the changes that came about with this influx of pastoralists and others was the introduction of non-indigenous laws, which had a devastating effect on the social and cultural fabric of these remote indigenous communities that had lived for countless generations under their own laws and customs.

Policies of assimilation, including the Commonwealth’s decision to separate indigenous children from their families and communities, reached Broome and Mr Roe’s community. In an act of great defiance and courage, Mr Roe’s tribal father challenged the authority of the police who were taking the children away to Beagle Bay Mission as well as the prejudice within the community at the time against part-Aboriginal children. Mr Roe told his story in this way:

When I was born on the station, that was a sheep station, I was born in the bush. So, when my mother brought me out after she was in hospital away from people, a lot of people saw I was a different colour, a lighter colour.

My tribe didn’t like to see me with that colour because I was the only one in the tribe with that colour. They were going to kill me. But my father, my full-blood father, he was a big man in the tribe, a big boss. My father made a big meeting with the people, my people, his people too, and he talked. ‘This little boy, we all know he’s got a different colour, but,’ he said, ‘we’re going to leave him, let him grow because sooner or later there’s going to be a lot more of this lighter people come up. So this boy, we’ve got to leave him. He might come in handy to us.’ And that’s true, too. I did come in handy to them.

This decision and the firmness with which it was taken was to have a profound impact on Mr Roe’s life. It meant that he grew up in two intersecting worlds and two very different cultures, but he was comfortable in both. On occasion, it also meant that he was able to bridge the divide and diffuse potentially volatile situations where ignorance had led to injustice and misunderstandings. One case in point was the story that Mr Roe told about an Aboriginal man who was jailed for seven years because his ‘girl’ was 12 years old. What the welfare authorities did not know at the time was that the girl that they put in the convent for her own protection had been promised to this man and that under Aboriginal law they were already married. Mr Roe at the time challenged the authorities about their decision encouraging them to, in his words, ‘try and dig little bit more deep—you bin digging only white soil—try and find the black soil inside’. Eventually, the couple were reunited and the injustice repaired.

Looking back over Mr Roe’s life experience and the legacies that he has passed on, I am struck by the fact that he did not have an education. He did not attend school at all; rather his schooling was from his elders. He once said:

I learned making spears and boomerangs and shields and what the old people used to make—all the old things that we used to make. Of course, at that time I had to learn to hunt because we used to live off the land. No tea and sugar and flour and all these sorts of things...

When I grew up in that country and got bigger, I came back to the station where my father and mother used to work.

Mr Roe worked his way up through the station, eventually being given responsibility for the running of this huge asset and responsible for a team of men. Mr Roe put it in his own words in this way:

I was very lucky, because I learned both sides. I learned European ways—I can run the station, sheep station, cattle station; on the European side, station jobs, that’s my game, I was a station-hand. But on the other side, that’s my people’s side, I come handy on their side too, because I can carry their culture.
After working for many years around the Kimberleys as a station hand and windmill contractor, Mr Roe settled with his family north of Broome in 1968 and established the Goolarabooloo community to protect the region’s indigenous culture. That led to the construction in 1987 of the Lurujarri—or coastal dunes—heritage trail to share the cultural importance of the landscape with non-indigenous people and to make sure that the developing tourism industry did not prevent the community from looking after their country ‘in the proper way’. As Mr Roe said: We should all come together, European and Aboriginal people. Country man and Aboriginal man. Black and white—to look after the country.

In 1983, his first book was published—Gularabulu—which is the name given to a stretch of country on the coast of the West Kimberley where the sun goes down. It contains the stories of the indigenous communities from the Broome region and it is prefaced by the author’s note:

This is all public, You know (it) is for everybody: Children, women, anybody. See, this is the thing they used to tell us: Story, and we know.

Obviously he included non-indigenous people, thinking that ‘they might be able to see us better than before’ if they understood our stories. The book is particularly important because of the fact that it is perhaps the first time that an indigenous oral history has been presented in this form—as a narrative as it was expressed by the voice of the author without substantive editing and alterations. Reading some of the stories, you have a real sense of the poetry of the language and the lyricism that makes the spoken word so much more powerful than the printed. As one writer commented: ... it is a reading that is more like listening. ... And in listening you should also try to hear what he is saying: that things have always been the same, but that they are different now; that as long as his people can speak out clearly, their culture will live on.

Mr Roe had an expression for his desire to convey his culture to others—the stories and songs that are grounded in his country. He said, ‘We must make these things move.’ He explored a variety of new ways to ‘move’ his culture that spread it beyond his immediate community. He co-wrote a truly beautiful book with his friends Stephen Muecke, a fellow wordsmith, and Krim Benterrak, a French painter, and this book was entitled Reading the country. There are so many levels of beauty to this book—intellectually through the timeless wisdom it conveys, visually through the paintings that it contains, and physically as a result of the journey from the landscape and communities that it traverses. It was very much the ‘brain-child’ of Mr Roe and his fascination with the meaning of place—the centrality of his country to his identity as a Nyikina man. As Stephen Muecke wrote in the book:

Listening to Paddy Roe, one is astounded by the range of his knowledge of the country. What appears between the pages of this book is but a fraction of what he chose to tell us. Traditional secret material is absent; it is only circulated among his own people and is not for public consumption. His knowledge covers the areas we call history, botany, medicine, biology, meteorology, religion, sociology, politics ... I balked at the idea of trying to record everything he knows. ...

If one wanted to give some priority to any reading at all, it would have to be Paddy Roe’s because of the historical depth of his knowledge and the range of areas which it encompasses. Despite the history of this one significant man in the Kimberleys who has contributed so much to his community, I think that he ought to be remembered as a person who contributed so much to the Australian nation. His life will be remembered far beyond his home country of Broome in Western Australia. I hope that his life experiences will go on teaching young Australians about how it is possible for cultures to coexist and adapt to change but still maintain their own integrity and power. This is a message that was borne out by Mr Roe’s life—it is his legacy—and it is a legacy that he has left for all Australians to think about in the context of their own lives and how each of us progresses the national journey towards true and lasting reconciliation.

I would like to finish with some words of advice from Mr Roe that were recorded in 1990 on the ABC. I think they have a very
important message for young indigenous Australians and they give the rest of us an insight into the obstacles that make it increasingly difficult to pass on indigenous cultures to our children, so they have a heritage for their children and a real sense of their own identity. I seek leave to incorporate the message in Hansard.

Leave granted.

The message read as follows——

The interviewer asked Mr Roe whether young Aboriginal people were interested in learning about their culture. He replied, "Yes, they like to know about the past, you know, from the olden times, but sometimes their friends come and, of course, they don’t understand our ways. They might take them to pictures or basketball, or something else. We’re losing our children; they don’t take an interest. They think we’re only telling them just a story. Any laws they had, the old people, that was all given to me too, the law and that. When I came to be a man they gave me everything. My culture. Now I’m still doing it. I’m teaching the young fellas the culture, making boomerangs, corroborees, initiation ceremonies, all these sort of things. It’s all culture belonging to my people and we can’t chuck it away."

Senator RIDGEWAY—I thank the Senate.

Upper Spencer Gulf Common Purpose Group

Senator BUCKLAND (South Australia) (10.14 p.m.)—I would like to speak tonight about a function I attended last week at Port Pirie that was organised by Austrade. The function was in the form of a dinner to recognise industry in the Upper Spencer Gulf region of South Australia. More particularly, it was to recognise the achievements of the Upper Spencer Gulf Common Purpose Group, comprising the cities of Port Augusta, Port Pirie and Whyalla. The theme of the night, ‘Upper Spencer Gulf, exporting to the world’, was most appropriate and provided the opportunity for the region to advertise its ability to compete with the rest of the country not only to produce a wide range of goods but to win export orders as well.

The establishment of the common purpose group is a story in itself, particularly when you bear in mind the vigorous manner in which the three cities have competed against each other, be it in sport, civic pride, wealth generation or the capturing of new industry. But that is another story and one that I do not wish to dwell on tonight. It is not just the three cities and their isolated populations either that benefit from the common purpose group; it is the whole of the region covered by the three development boards. The industries traditionally associated with the Upper Spencer Gulf, such as iron and steel, mining, smelting, power generation, railways and primary production, are not the only ones involved; it is the whole gambit of business—large, small and everything in between.

I think it worth while to mention some of the companies to give a better understanding of the diversity that exists in this region of South Australia, a region that gets little attention from the state government—companies like Crystal Brook Natural Products, whose apiary products are traded locally, interstate and overseas; Goodwinii Eremophila Gardens, a nursery at Stirling North which produces some 260 native plant varieties from arid and semi-arid regions; Heritage Fine Food, a family business at Port Pirie, producing herb and citrus vinegar and oil, chutneys, jams, mustards and a whole range of specialist and gourmet foods; Hildabuilt, which manufactures a wide range of products for the international agricultural, oil and gas, mining, tourism and heavy transport industries—this company does not operate out of one of the larger cities but is located in Hawker, a small outback town that many think disappeared with the narrow gauge railway line to Alice Springs many years ago; BST Oysters at Cowell, south of Whyalla, which now has agencies throughout Australia and overseas; and Beautiful Valley Vineyard at Wilmington in the southern Flinders Ranges, an industry new to this area. This is not particularly an advertisement for the good work being done and the opportunities up there, but it is worth mentioning these companies, as they all won awards on the night.

These businesses, along with Western Mining at Roxby Downs, OneSteel at Whyalla and Pasminco at Port Pirie and
many others in the region, have with the aid of the common purpose group significantly contributed to the recent growth and wealth not only of the region but of the state. There is a further side to the success of the common purpose group, and that is their efforts to generate industry clusters from across the region. These industry clusters cooperate not to only win contracts but to ensure that they can deliver the goods within quality requirements, at a competitive cost and on time.

The common purpose group and its member organisations have worked to maximise the region’s opportunities to best benefit from the opportunities that will flow from the Alice Springs to Darwin rail project. An example of this is the recent announcement that EDI Rail at Port Augusta has won a contract to build 65 ballast wagons to be used in the building of the track. This is the second contract won by EDI and one that will rely on the cluster arrangement. Senator Grant Chapman was the guest speaker at the Port Pirie function, and I have to say his contribution was most appropriate for the occasion and I commend him for the research he did. The same cannot be said for the member for Grey, Barry Wakelin, who tried to trivialise the event by suggesting that I would probably dispute with him the wealth that the electorate of Grey had generated for South Australia over many years. How wrong he was again, and how cowardly it was to suggest such a thing on this occasion when he knew I had no right of reply and it was, in fact, the night for the common purpose group to celebrate their achievements.

For the record, prior to entering the Senate I was a member of the Upper Spencer Gulf Common Purpose Group board and worked tirelessly with them to attract industry to the region. I was also a member of the Spencer Institute of TAFE board, a body that won an award on the night for their contributions to the export of further education programs. My advocacy and enthusiasm for the promotion of industry development throughout the region are well documented. It would be nice to hear the member for Grey supporting industry in his electorate with as much enthusiasm as the Labor Party and I show.

**Valedictory: John Woodley**

Senator FORSHAW (New South Wales) (10.21 p.m.)—Tonight I would like to say a few words in respect of the retirement of Senator John Woodley. Unfortunately, I did not get the opportunity to do so when the parliament sat the week before last. My first extensive contact with John Woodley was towards the end of 1996. At that time I was the opposition’s spokesperson in the Senate on aged care issues and had carriage of the opposition’s views on the aged care legislation brought in by the coalition government. John Woodley was the spokesperson for the Democrats. The debate was very long, complex and intense and went on over a number of months as the government backtracked and rolled back its original legislation. We spent a lot of time in the chamber debating the coalition’s changes to the aged care system, and in particular the now discredited system of accommodation bonds for nursing home applicants.

As I said, it was a complex issue. It was a debate which affected the lives of many people and the livelihoods of many people and their families. During all that time, John Woodley demonstrated that he was a very patient person who would always apply himself diligently to looking for solutions to difficult issues. As he will recall, there were endless rounds of meetings with the various organisations and groups involved in the debate who were in the building lobbying us. John worked assiduously throughout that exercise to try to bring some sense to the government’s legislation. He did not accept every one of the opposition’s amendments on that occasion, but he agreed with most, and we, of course, agreed with many of the views that he put forward. For John Woodley, the right solution on that occasion—and on many other issues that he was involved in—was always one based on fairness and equity. He was a strong believer in and supporter of the principles of social justice. John Woodley always spoke and acted with compassion and conviction in the many areas that he had a particular interest in or responsibility for. I
particularly refer to health, aged care, reconciliation, and rural and regional affairs.

In the past four years or so, I have had the pleasure of coming to know John a lot better as a fellow member of the Senate rural and regional affairs and transport committees. He was the Democrat spokesperson on those portfolios. John also was the chairman of the Senate Rural and Regional Affairs References Committee. He was highly respected by all the members of the committee and the staff for his dedication, patience, good humour, honesty and integrity in his work on that committee. I am sure my colleagues in the Senate at the moment, Senator O’Brien and Senator McGauran, would agree with me that the Senate rural and regional affairs committee is one of the best committees of this Senate. We have the opportunity to get out amongst people in rural and regional areas on various inquiries and to look firsthand at the issues and problems they confront. In nearly all cases our reports have been unanimous and have provided solid, constructive recommendations for the government and the bureaucracy to act upon. Unfortunately, the government has not always taken up those recommendations, but, as I said, invariably they have been unanimous, representing the views of the opposition, government and minor party members, including John Woodley when he was chair.

In particular, John was a major contributor to the committee’s reports in the last few years on such issues as the Australian Quarantine Inspection Service, the sugar industry, the dairy industry, the importation of Canadian salmon into Australia, the import risk assessment on the importation of apples from New Zealand, and ovine Johne’s disease, to name just a few areas that the committee has investigated in recent years. To some these might sound like esoteric issues, but they are of major significance to Australian agriculture, to our other major exporting industries, to the environment and to the livelihood of many Australians.

I have said that John was a patient man. This is a quality that is not always evident in many of us in this building, particularly in the heat of political battle, but John was a very patient person who demonstrated a genuine warmth for his fellow parliamentarians and for his fellow Australians. Simply put, he was a person you could not help but like. Other speakers who have spoken about John’s contribution, particularly in the debate the week before last, commented on the fact that he had been a Uniting Church minister. John was a religious minister, but he was not a pulpit preacher; rather, he strongly believed in and practised pastoral care. He spoke up for and helped those less fortunate.

In her remarks on Monday, 6 August 2001 Senator Bourne quoted from the Book of Proverbs when referring to John’s attitude to his fellow man. I am reminded of other immortal words of the Saviour. I cannot put my finger on the exact gospel reference, but I think the words are something along the lines of ‘as long as you did it to one of these, the least of my brethren, you did it to me’. I think that particularly summed up John Woodley’s contribution as a Christian and also as a parliamentarian serving and working for his fellow human beings. I also think that John’s compassion for his fellow man came from his own life experiences. I am aware, through conversations with John, that he was no stranger to confronting illness and suffering in his own life and in the lives of those who were closest to him. I understand that he has had to retire early due to ill health. The Senate and the parliament are the poorer for his leaving us. But I know that he will continue to serve his fellow man in many other ways. I would like to extend my best wishes to John, to his wife, Marie, and to his family. I hope that they enjoy good health, peace and happiness for many years to come.

Australian Search and Rescue

Senator O’Brien (Tasmania) (10.29 p.m.)—The Rural and Regional Affairs and Transport Legislation Committee had scheduled a hearing for tonight to inquire into the role of Australian Search and Rescue in the search for the Margaret J, a fishing boat lost in Bass Strait in April this year. However, at a private meeting of the committee at 6.30 p.m., the government again used its numbers to block this inquiry—that is, the government members of the committee voted to adjourn the inquiry. Other members of the
committee opposed that proposition. In fact, the numbers were tied, and the casting vote of Senator Crane, the government chair of the committee, carried the resolution to adjourn the matter.

Government senators relied on a letter from counsel assisting the Tasmanian coroner as justification for their action. In my view, that letter did not raise any issues that had not already been considered and dismissed by the committee—and, for that matter, dismissed by the Clerk of the Senate in advice provided in response to other material put before the committee. By failing to agree to subject the role of AusSAR and the Tasmanian police to a proper inquiry by this committee, the government is ignoring the public interest. While the government may be happy to ignore the public interest, I am not.

One matter I did intend to pursue with officers from the Australian Maritime Safety Authority at tonight’s committee hearing was evidence given to the committee during the estimates hearing of 31 May. The General Manager of Search and Rescue, Ms Barrell, told the committee that a search area of 100,000 square kilometres would require 104 aircraft. Initially, Ms Barrell told the hearing that the search area was 100,000 square miles, but she then corrected that measure to square kilometres. We are talking about the projected possible area in which to search for the occupants of the vessel, who might be drifting somewhere in a life raft.

Ms Barrell is the General Manager of Australian Search and Rescue. In that sense, the committee should have been able to rely on her evidence. I was somewhat surprised that she used the measure of square kilometres rather than the standard measure for search areas of square nautical miles. The area Ms Barrell identified translates to 38,600 square nautical miles. The total area of Bass Strait is 33,010 square nautical miles. Within days of Ms Barrell’s evidence to the estimates hearings, I received a document through the mail. The author did not identify himself or herself. The letter read:

It was with much interest that I watched Insight—the SBS television current affairs program—and read a transcript of the recent Estimates hearing involving AMSA. Someone is either very confused, ignorant or covering up the truth.

The letter then worked through the search effort required to cover the area identified by Ms Barrell, the 100,000 square kilometres. The author calculated that—based on the weather conditions at that time, an average search time per aircraft of three hours and each aircraft doing two sorties a day—only 19 aircraft would be required to cover the search area which Ms Barrell identified. Those calculations were based on a tracking space of four kilometres. The calculations in the correspondence that I mentioned were then redone with a tracking space of six kilometres, and the number of aircraft required dropped to just 13, not the 104 aircraft that Ms Barrell tried to tell the committee were required for such a search. The author of the letter continued:

So they are telling you 13 aircraft is too many to ask to search [searches have been bigger than this, nearly 30 in the search for a helicopter last year].

Someone is lying to you.

I receive a lot of information, and it flows from asking a lot of questions. But I always try to do an independent check of calculations such as these. I provided the calculations I have just mentioned to a second person, who has considerable expertise and experience in such matters, because I wanted to check the veracity of the first set of numbers. The calculations undertaken by the independent expert were based on a higher search aircraft true airspeed than was used in the first set of calculations. The second aircraft true airspeed was set at 150 knots, compared to 120 knots. The tracking space was set at two nautical miles. The second set of calculations, based on Ms Barrell’s 100,000 square kilometres and 85 hours at three hours per sortie and two sorties a day, resulted in a figure of 15 aircraft.

Ms Barrell told the estimates committee on 31 May that a search area of 100,000 square kilometres was just not feasible in the Australian environment. I understand that her calculations were built around a tracking space of only one nautical mile. I am not
sure that this tracking space number explains Ms Barrell’s estimated need for 104 search aircraft. If the hearing had proceeded tonight, I would have asked Ms Barrell about the basis for the one nautical mile tracking space. I would have asked about the safe operation of search aircraft where a one nautical mile tracking space requirement was put in place. I am advised that, depending on the type of aircraft used in a search of this nature, a tracking space of one nautical mile might not only be too narrow but also be unachievable and unsafe.

Ms Barrell’s claim that the search as at 15 April would have required 104 aircraft was just not right. Such a search could have been and should have been mounted. The fact that AusSAR then, on 30 April, agreed to take over the search from the Tasmanian police when the search area had ballooned out to around 370,000 square nautical miles made Ms Barrell’s claim to the Senate about the unfeasibility of the 100,000 square kilometres even more bizarre. We had Ms Barrell telling us that the search area was too big as at 15 April and we had AusSAR taking control of the search with an area that had increased by over 900 per cent on 30 April. That search located two bodies and the life raft in good time.

It is my view that, if AusSAR had acted quickly, those men may not have lost their lives. For that reason, I intend to pursue this matter until all the details of what was done or not done by both Australian Search and Rescue and the Tasmanian police are on the public record and until those responsible for what was an inadequate search effort are held to account.

Senate adjourned at 10.37 p.m.

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

Broadcasting Services Act—


Civil Aviation Act—Civil Aviation Regulations—Civil Aviation Orders—

Directive—Part—

105, dated 19, 20 [3], 23 [13], 26 [10] and 27 [7] July; and 1, 2, 6 [4], 7, 8 [2], 9 and 14 August 2001.


107, dated 18 July; and 2 and 6 August 2001.

Instruments Nos CASA 302/01, CASA 311/01, CASA 321/01 and CASA 323/01.

Class Rulings CR 2001/34 and CR 2001/35.

Cocos (Keeling) Islands Act—Utilities and Services Ordinance—Revocation of Electricity Fees Determination No. 1 of 2000.

Customs Act—

CEO Instruments of Approval Nos 5-8 of 2001.

Regulations—Statutory Rules 2001 No. 211.

Dairy Produce Act—

Dairy Structural Adjustment Program Scheme Amendment 2000 (No. 8).

Supplementary Dairy Assistance Scheme 2001.


Environment Protection and Biodiversity Conservation Act—Instrument under section—


Fisheries Management Act—Australian Fisheries Management Authority Temporary Order No. 2 of 2001.

Interstate Road Transport Act—Determination RTR 2001/1—Determination of B-Double Routes.


Product Rulings—


Sydney Airport Curfew Act—Dispensations granted under section 20—Dispensations Nos 10/01-14/01.


Veterans’ Entitlements Act—

Indexed Lists of Files
The following documents were 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—
Department of Communications, Information Technology and the Arts.
International Air Services Commission (IASC).

Proclamations
Proclamations by His Excellency the Governor-General were tabled, notifying that he had proclaimed the following provisions of Acts to come into operation on the dates specified:

Migration Legislation Amendment (Electronic Transactions and Methods of Notification) Act 2001—Act, except for items 1, 2 and 3 of Schedule 4—10 August 2001 (Gazette No. GN 31, 8 August 2001)
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Agriculture, Fisheries and Forestry Portfolio: Agency Boards
(Question No. 2156)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 10 April 2000:

(1) How many agencies within the Minister’s portfolio are administered by a board.
(2) Are all members of the above boards appointed by the Governor-General on the advice of the Executive Council; if not, who is responsible for making board appointments.
(3) In each case, does the Remuneration Tribunal have a role in the setting of fees, allowances and other benefits for members of the boards; if not: (a) under which section of the relevant legislation are such fees, allowances and benefits authorised; and (b) how is the value of these fees, allowances and other benefits determined.
(4) In each case, what is the nature and value of fees paid to board members.
(5) What other benefits, such as mobile phones, home computers and home phone/facsimile machines, are provided to board members by virtue of their membership of a government board.
(6) What class of air travel, what standard of accommodation and what car allowances are paid to board members and, in each case, what is the value of these benefits and who determines that value.
(7) Are board members entitled to, or do they receive, any spouse benefits; if so, what is the nature and value of these benefits.
(8) (a) On how many occasions since January 1998 have the above fees, allowances and other benefits been varied, (b) what was the reason for each variation; and (c) what was the quantum of each variation.
(9) If variations to fees, allowances and other payments to board members were not determined by the Remuneration Tribunal, who determined the quantum and timing of each increase.
(10) Do board members qualify for, and are they paid, superannuation benefits; if so, are such payments additional to, and separate from, other allowances they receive.
(11) Do board members receive any additional allowances if they are appointed to board sub-committees; if so, are such additional benefits provided for in the relevant legislation.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

For the purposes of answering this question:

the reference to “agencies within the Minister’s portfolio” has been interpreted as those that are subject to the Commonwealth Authorities and Companies Act 1997; and

- the reference to members of boards is taken to mean non-executive part time office holders.

The terms and conditions of employment of full time chief executive officers have not been included. They are employed by the board of the relevant agency and do not receive any additional allowance for being a member of the board.

(1) 21. They are:

Australian Dairy Corporation
Australian Dried Fruits Board
Australian Fisheries Management Authority
Australian Horticultural Corporation
Australian Pork Corporation
Australian Wine and Brandy Corporation
Australian Wool Research and Promotion Organisation
Cotton Research and Development Corporation
Dairy Research and Development Corporation
Fisheries Research and Development Corporation
Forest and Wood Products Research and Development Corporation
Grains Research and Development Corporation
Grape and Wine Research and Development Corporation
Horticultural Research and Development Corporation
Land and Water Resources Research and Development Corporation
National Registration Authority for Agricultural and Veterinary Chemicals
Pig Research and Development Corporation
Rural Industries Research and Development Corporation
Sugar Research and Development Corporation
Tobacco Research and Development Corporation
Wheat Export Authority

(2) No. The enabling legislation for each portfolio agency sets out the appointment processes. The majority of boards are appointed by the Minister for Agriculture, Fisheries and Forestry in accordance with the relevant legislation, except for:
- the board of the Forest and Wood Products Research and Development Corporation which is appointed by the Minister for Forestry and Conservation; and
- all members of the board of the Australian Dried Fruits Board are selected and appointed by the Australian Horticultural Corporation. The Minister for Agriculture, Fisheries and Forestry does not have a role in the appointment process. The Australian Horticultural Corporation Act 1987 enables the establishment of horticultural product boards and the Australian Dried Fruits Board is the only such board.

(3) Yes.

(4) The fees are set out in the Remuneration Tribunal’s Determination No 3 of 1999 (as amended by Determination 2000/01). The Determination can be found at the following website:

(5) There are generally no other benefits to members, except for:
- Australian Dairy Corporation (ADC) – the Chairman of the ADC has been provided with a mobile phone and a home facsimile machine to enable him to communicate with management of the ADC and other directors. No other directors receive benefits;
- Australian Fisheries Management Authority (AFMA) – each board member has been provided with a phone card, strictly for AFMA business;
- Australian Horticultural Corporation (AHC) – the Deputy Chairman has been provided with a facsimile machine for use for AHC requirements;
- Australian Wool Research and Promotion Organisation (AWRAP) – the Chair has been provided with a laptop computer;
- Cotton Research and Development Corporation (CRDC) – the Chair has been provided with a mobile phone;
- Dairy Research and Development Corporation (DRDC) – this is determined case by case. A member may be provided with a facsimile machine and a mobile phone;
- Horticultural Research and Development Corporation (HRDC) – a telephone allowance based on 30 calls per quarter is paid. Each board member has also been provided with a small filing cabinet for filing HRDC related documents and to facilitate the return of those documents to HRDC at the end of their term of appointment;
- Rural Industries Research and Development Corporation (RIRDC) – the Chair is paid $894.00 annually to cover her costs for communications incurred on behalf of the Corporation. The Deputy Chair/Chair of the Audit Committee (same person) is paid $447.00 annually for the same purpose;
- Sugar Research and Development Corporation (SRDC) – the Chair has been provided with a facsimile machine; and
- Wheat Export Authority (WEA) – 3 members of the WEA have been supplied with facsimile machines.

(6) **Air Travel**

Members travel business class, except for:
- ADC – first class for international travel;
- AHC – economy class;
- Australian Pork Corporation (APC) – economy class; business class for flights longer than 7 hours;
- AWRAP – when travelling overseas, board members may travel first class;
- CRDC – economy class;
- DRDC – economy class within Australia and New Zealand. Business class air travel on long international flights;
- Forest and Wood Products Research and Development Corporation (FWPRDC) – economy class;
- Grape and Wine Research and Development Corporation (GWRDC) – economy class;
- HRDC – economy class, business class for flights longer than 7 hours;
- Land and Water Resources Research and Development Corporation (LWRRDC) – economy class except for long trips;
- Pig Research and Development Corporation (PRDC) – economy class except where flight time is more than 2 hours;
- Tobacco Research and Development Corporation (TRDC) – economy class except on extended trips; and
- Wheat Export Authority (WEA) – economy class.

**Accommodation**

Travelling allowance is paid in accordance with rates determined by the Remuneration Tribunal. For AWRAP board members, overseas accommodation is paid on an actual basis at a single room rate at a quality standard hotel, plus meal and incidentals as determined by the Remuneration Tribunal.

**Car Allowance**

Board members using private vehicles are reimbursed on a “per kilometre” basis in accordance with rates set by the Department of Employment, Workplace Relations and Small Business.

(7) No, except for:
- AFMA – on occasion, spouses of directors may be invited to official functions and air travel may be provided. There have been two such trips in the past two years;
- AWRAP – if there is a need for a spouse to accompany a board member on official business of the board then the cost of business class air travel and the difference between single and double accommodation may be claimed as required; and
- PRDC – has a policy of allowing the Chair one spouse trip per year if required for official functions. At the Chair’s discretion, one trip per each three years of service for other board members may be approved.

(8) (a) On one occasion, in March 1999.

(b) The Remuneration Tribunal conducted its annual review of rates.

(c) See the Remuneration Tribunal website given in the answer to question 4.

(9) Not applicable.

(10) Yes. Such payments are additional to, and separate from, other allowances paid.

(11) No, except for:
- APC – if board members are appointed to industry committees, allowances are paid as per the Remuneration Tribunal determination; and
- SRDC – members of the Audit Committee (2 directors) receive an allowance set by the Remuneration Tribunal for their membership of the Audit Committee.

**Department of Health and Aged Care: Programs and Grants to the Bass Electorate**  
(Question No. 2410)

Senator O’Brien asked the Minister representing the Minister for Health and Aged Care, upon notice, on 27 June 2000:

(1) What was the level of funding provided through programs and/or grants administered by the department to provide assistance to people living in the federal electorate of Bass in the 1999-2000 financial year.

(2) What level of funding provided through these programs and/or grants has been appropriated for the 2000-01 financial year.

Senator Vanstone—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:

The Department of Health and Aged Care has advised that to offer a complete answer to this question will take considerable Departmental time and effort and I am not prepared to divert resources at this time. However, the Senator should be aware that the Department of Health and Aged Care prepares Electorate Profiles annually. These profiles include financial data from payment systems where the information can be classified into federal electorates. The profiles were circulated to all members in October last year and are available in the Parliamentary Library.

**Department of Health and Aged Care: Programs and Grants to the Kalgoorlie Electorate**  
(Question No. 2428)

Senator O’Brien asked the Minister representing the Minister for Health and Aged Care, upon notice, on 27 June 2000:

(1) What programs and/or grants administered by the department provide assistance to people living in the federal electorate of Kalgoorlie.

(2) What was the level of funding provided through these programs and/or grants for the 1996-97, 1997-98, 1998-99 and 1999-2000 financial years.

(3) What level of funding provided through these programs and/or grants has been appropriated for the 2000-01 financial year.

Senator Vanstone—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:

The Department of Health and Aged Care has advised that to offer a complete answer to this question will take considerable Departmental time and effort and I am not prepared to divert resources at this time. However, the Senator should be aware that the Department of Health and Aged Care prepares Electorate Profiles annually. These profiles include financial data from payment systems where the information can be classified into federal electorates. The profiles were circulated to all members in October last year and are available in the Parliamentary Library.

**Department of Health and Aged Care: Programs and Grants to the Eden-Monaro Electorate**  
(Question No. 2446)

Senator O’Brien asked the Minister representing the Minister for Health and Aged Care, upon notice, on 27 June 2000:

(1) What programs and/or grants administered by the department provide assistance to people living in the federal electorate of Eden-Monaro.

(2) What was the level of funding provided through these programs and/or grants for the 1996-97, 1997-98, 1998-99 and 1999-2000 financial years.

(3) What level of funding provided through these programs and/or grants has been appropriated for the 2000-01 financial year.
Senator Vanstone—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:
The Department of Health and Aged Care has advised that to offer a complete answer to this question will take considerable Departmental time and effort and I am not prepared to divert resources at this time. However, the Senator should be aware that the Department of Health and Aged Care prepares Electorate Profiles annually. These profiles include financial data from payment systems where the information can be classified into federal electorates. The profiles were circulated to all members in October last year and are available in the Parliamentary Library.

Department of Health and Aged Care: Programs and Grants to the Gippsland Electorate
(Question No. 2465)

Senator O’Brien asked the Minister representing the Minister for Health and Aged Care, upon notice, on 27 June 2000:
(1) What was the level of funding provided through programs and/or grants administered by the department to provide assistance to people living in the federal electorate of Gippsland in the 1999-2000 financial year.
(2) What level of funding provided through these programs and/or grants has been appropriated for the 2000-01 financial year.

Senator Vanstone—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:
The Department of Health and Aged Care has advised that to offer a complete answer to this question will take considerable Departmental time and effort and I am not prepared to divert resources at this time. However, the Senator should be aware that the Department of Health and Aged Care prepares Electorate Profiles annually. These profiles include financial data from payment systems where the information can be classified into federal electorates. The profiles were circulated to all members in October last year and are available in the Parliamentary Library.

Department of Health and Aged Care: Programs and Grants to the Richmond Electorate
(Question No. 2997)

Senator Mackay asked the Minister representing the Minister for Health and Aged Care, upon notice, on 9 October 2000:
(1) What programs and/or grants administered by the department provide assistance to people living in the electorate of Richmond.
(2) What was the level of funding provided through these programs and grants for the 1996-97, 1997-98 and 1998-99 financial years.
(3) What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

Senator Vanstone—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:
The Department of Health and Aged Care has advised that to offer a complete answer to this question will take considerable Departmental time and effort and I am not prepared to divert resources at this time. However, the Senator should be aware that the Department of Health and Aged Care prepares Electorate Profiles annually. These profiles include financial data from payment systems where the information can be classified into federal electorates. The profiles were circulated to all members in October last year and are available in the Parliamentary Library.

Department of Health and Aged Care: Programs and Grants to the Cowper Electorate
(Question No. 3009)

Senator Mackay asked the Minister representing the Minister for Health and Aged Care, upon notice, on 9 October 2000:
(1) What programs and/or grants administered by the department provide assistance to people living in the electorate of Cowper.

(2) What was the level of funding provided through these programs and grants for the 1996-97, 1997-98 and 1998-99 financial years.

(3) What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

Senator Vanstone—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:

The Department of Health and Aged Care has advised that to offer a complete answer to this question will take considerable Departmental time and effort and I am not prepared to divert resources at this time. However, the Senator should be aware that the Department of Health and Aged Care prepares Electorate Profiles annually. These profiles include financial data from payment systems where the information can be classified into federal electorates. The profiles were circulated to all members in October last year and are available in the Parliamentary Library.

Department of Health and Aged Care: Programs and Grants to the Page Electorate

(Question No. 3021)

Senator Mackay asked the Minister representing the Minister for Health and Aged Care, upon notice, on 9 October 2000:

(1) What programs and/or grants administered by the department provide assistance to people living in the electorate of Page.

(2) What was the level of funding provided through these programs and grants for the 1996-97, 1997-98 and 1998-99 financial years.

(3) What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

Senator Vanstone—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:

The Department of Health and Aged Care has advised that to offer a complete answer to this question will take considerable Departmental time and effort and I am not prepared to divert resources at this time. However, the Senator should be aware that the Department of Health and Aged Care prepares Electorate Profiles annually. These profiles include financial data from payment systems where the information can be classified into federal electorates. The profiles were circulated to all members in October last year and are available in the Parliamentary Library.

Department of Health and Aged Care: Programs and Grants to the Bass Electorate

(Question No. 3033)

Senator Mackay asked the Minister representing the Minister for Health and Aged Care, upon notice, on 9 October 2000:

(1) What programs and/or grants administered by the department provide assistance to people living in the electorate of Bass.

(2) What was the level of funding provided through these programs and grants for the 1996-97, 1997-98 and 1998-99 financial years.

(3) What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

Senator Vanstone—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:

The Department of Health and Aged Care has advised that to offer a complete answer to this question will take considerable Departmental time and effort and I am not prepared to divert resources at this time. However, the Senator should be aware that the Department of Health and Aged Care prepares Electorate Profiles annually. These profiles include financial data from payment systems where the information can be classified into federal electorates. The profiles were circulated to all members in October last year and are available in the Parliamentary Library.
Department of Health and Aged Care: Programs and Grants to the Hinkler Electorate  
(Question No. 3045)

Senator Mackay asked the Minister representing the Minister for Health and Aged Care, upon notice, on 9 October 2000:

(1) What programs and/or grants administered by the department provide assistance to people living in the electorate of Hinkler.

(2) What was the level of funding provided through these programs and grants for the 1996-97, 1997-98 and 1998-99 financial years.

(3) What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

Senator Vanstone—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question: The Department of Health and Aged Care has advised that to offer a complete answer to this question will take considerable Departmental time and effort and I am not prepared to divert resources at this time. However, the Senator should be aware that the Department of Health and Aged Care prepares Electorate Profiles annually. These profiles include financial data from payment systems where the information can be classified into federal electorates. The profiles were circulated to all members in October last year and are available in the Parliamentary Library.

Department of Health and Aged Care: Programs and Grants to the Gwydir Electorate  
(Question No. 3057)

Senator Mackay asked the Minister representing the Minister for Health and Aged Care, upon notice, on 9 October 2000:

(1) What programs and/or grants administered by the department provide assistance to people living in the electorate of Gwydir.

(2) What was the level of funding provided through these programs and grants for the 1996-97, 1997-98 and 1998-99 financial years.

(3) What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

Senator Vanstone—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question: The Department of Health and Aged Care has advised that to offer a complete answer to this question will take considerable Departmental time and effort and I am not prepared to divert resources at this time. However, the Senator should be aware that the Department of Health and Aged Care prepares Electorate Profiles annually. These profiles include financial data from payment systems where the information can be classified into federal electorates. The profiles were circulated to all members in October last year and are available in the Parliamentary Library.

Department of Health and Aged Care: Programs and Grants to the Eden-Monaro Electorate  
(Question No. 3069)

Senator Mackay asked the Minister representing the Minister for Health and Aged Care, upon notice, on 9 October 2000:

(1) What programs and/or grants administered by the department provide assistance to people living in the electorate of Eden-Monaro.

(2) What was the level of funding provided through these programs and grants for the 1996-97, 1997-98 and 1998-99 financial years.

(3) What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

Senator Vanstone—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:
The Department of Health and Aged Care has advised that to offer a complete answer to this question will take considerable Departmental time and effort and I am not prepared to divert resources at this time. However, the Senator should be aware that the Department of Health and Aged Care prepares Electorate Profiles annually. These profiles include financial data from payment systems where the information can be classified into federal electorates. The profiles were circulated to all members in October last year and are available in the Parliamentary Library.

**Health and Aged Care Portfolio: Motor Vehicles**

(Question No. 3091)

Senator Cook asked the Minister representing the Minister for Health and Aged Care, upon notice, on 10 October 2000:

(1) For the financial year ended 30 June 2000, what was the total of monies expended by the department and each of its agencies on fuel purchased for motor vehicles which the department and its agencies are responsible for maintaining (please provide a breakdown by each month of the financial year).

(2) What has been the total amount of monies expended to date for the 2000-01 financial year on fuel for motor vehicles which the department and its agencies are responsible for maintaining (please provide a breakdown for each month up to and including September 2000).

(3) Has the department and its agencies budgeted for fuel bills; if so: (a) what is the budget for the current financial year; and (b) how much has been spent to date.

(4) How does this year’s fuel expenditure budget compare to last year’s fuel expenditure budget for the department and each of its agencies.

(5) How did the last financial year’s fuel expenditure budget compare to the actual outcome for the financial year for the department and each of its agencies.

(6) (a) What is this financial year’s fuel expenditure budget for both the department and each of its agencies; and (b) how much has been spent to date.

Senator Vanstone—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:

(1) The total monies expended by the department and each of its agencies for the financial year ended 30 June 2000 was $1,024,075.41. This is broken down as follows, by month:

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1999</td>
<td>$73,369.71</td>
</tr>
<tr>
<td>August 1999</td>
<td>$80,220.92</td>
</tr>
<tr>
<td>September 1999</td>
<td>$83,531.64</td>
</tr>
<tr>
<td>October 1999</td>
<td>$75,453.82</td>
</tr>
<tr>
<td>November 1999</td>
<td>$78,287.54</td>
</tr>
<tr>
<td>December 1999</td>
<td>$78,085.25</td>
</tr>
<tr>
<td>January 2000</td>
<td>$94,214.23</td>
</tr>
<tr>
<td>February 2000</td>
<td>$83,304.93</td>
</tr>
<tr>
<td>March 2000</td>
<td>$80,519.57</td>
</tr>
<tr>
<td>April 2000</td>
<td>$96,413.63</td>
</tr>
<tr>
<td>May 2000</td>
<td>$93,267.36</td>
</tr>
<tr>
<td>June 2000</td>
<td>$107,406.81</td>
</tr>
</tbody>
</table>

(2) The total amount of monies expended to September 2000 for the 2000-01 financial year is $265,830.90. This is broken down as follows, by month:

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2000</td>
<td>$62,819.95</td>
</tr>
<tr>
<td>August 2000</td>
<td>$99,960.25</td>
</tr>
<tr>
<td>September 2000</td>
<td>$103,050.70</td>
</tr>
</tbody>
</table>
(3) (a) The following agencies have budgeted for their fuel bills for the current financial year:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Budget 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aged Care Standards and Accreditation Agency</td>
<td>$85,553.00</td>
</tr>
<tr>
<td>Health Services Australia</td>
<td>$44,510.00</td>
</tr>
<tr>
<td>Medibank Private</td>
<td>$303,149.14</td>
</tr>
<tr>
<td>Private Health Insurance Administration Council</td>
<td>$2,100.00</td>
</tr>
<tr>
<td>Private Health Insurance Ombudsman</td>
<td>$3,600.00</td>
</tr>
</tbody>
</table>

The department, the Australia New Zealand Food Authority, Australian Institute of Health and Welfare, Australian Radiation Protection and Nuclear Safety Authority and Health Insurance Commission do not budget specifically for fuel, incorporating the cost of fuel in their overall running costs for vehicles.

(b) The amounts spent on fuel to 30 September 2000 for the agencies listed above are:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Amount 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aged Care Standards and Accreditation Agency</td>
<td>$13,149.00</td>
</tr>
<tr>
<td>Health Services Australia</td>
<td>$19,397.98</td>
</tr>
<tr>
<td>Medibank Private</td>
<td>$52,717.77</td>
</tr>
<tr>
<td>Private Health Insurance Administration Council</td>
<td>$668.65</td>
</tr>
<tr>
<td>Private Health Insurance Ombudsman</td>
<td>$1,000.37</td>
</tr>
</tbody>
</table>

(4) This year’s expenditure budgets for fuel and last year’s expenditure budgets are:

<table>
<thead>
<tr>
<th>Agency</th>
<th>2000 Budget</th>
<th>2001 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aged Care Standards and Accreditation Agency</td>
<td>$77,784.00</td>
<td>$85,553.00</td>
</tr>
<tr>
<td>Health Services Australia</td>
<td>$44,395.85</td>
<td>$44,510.00</td>
</tr>
<tr>
<td>Medibank Private</td>
<td>$217,966.00</td>
<td>$303,149.14</td>
</tr>
<tr>
<td>Private Health Insurance Administration Council</td>
<td>$2,160.00</td>
<td>$2,100.00</td>
</tr>
<tr>
<td>Private Health Insurance Ombudsman</td>
<td>$3,200.00</td>
<td>$3,600.00</td>
</tr>
</tbody>
</table>

(5) Last financial year’s fuel expenditure budgets and last year’s actual fuel expenditure are:

<table>
<thead>
<tr>
<th>Agency</th>
<th>2000 Budget</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aged Care Standards and Accreditation Agency</td>
<td>$77,784.00</td>
<td>$42,218.00</td>
</tr>
<tr>
<td>Health Services Australia</td>
<td>$44,395.85</td>
<td>$47,159.99</td>
</tr>
<tr>
<td>Medibank Private</td>
<td>$217,966.00</td>
<td>$270,605.00</td>
</tr>
<tr>
<td>Private Health Insurance Administration Council</td>
<td>$2,160.00</td>
<td>$2,345.73</td>
</tr>
<tr>
<td>Private Health Insurance Ombudsman</td>
<td>$3,200.00</td>
<td>$3139.61</td>
</tr>
</tbody>
</table>

(6) (a) See response to Question 3(a).

(b) The department and each of its agencies have spent $265,830.90 in the three months to September 2000.

**Sydney Olympic Games: Tobacco Industry**

*(Question No. 3101)*

**Senator Murray** asked the Minister representing the Minister for Health and Aged Care, upon notice, on 11 October 2000:

1. Did any government senators or members of Parliament attend events held at or in association with the Olympic Games that were supported or sponsored by tobacco companies.

2. Did any government senators or members of Parliament receive tickets to Olympic events from any company that produces tobacco products or is associated with the tobacco industry.

**Senator Vanstone**—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:
I am not aware of any events supported or sponsored by tobacco companies held at or in association with the Olympic Games.

**Attorney-General’s Department: Legal Advice**

(Question No. 3375)

Senator Robert Ray asked the Minister representing the Minister for Health and Aged Care, upon notice, on 29 January 2001:

1. What has been the total cost to the department in the 1999–2000 financial year of legal advice obtained from the Attorney-General’s Department.
2. What has been the total cost to the department in the 1999–2000 financial year of legal advice obtained by the department from other sources.

Senator Vanstone—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:

1. The total cost to the department in the 1999–2000 financial year for legal advice provided by the Attorney-General’s Department was $176,088. In addition, the total cost to the department in the 1999–2000 financial year for legal advice provided by the Australian Government Solicitor was $986,940.
2. The total cost to the department in the 1999–2000 financial year for legal advice provided by other sources was $2,282,419.

**Goods and Services Tax: Registered Organisations**

(Question No. 3477)

Senator Brown asked the Minister representing the Treasurer, upon notice, on 1 March 2001:

1. How many goods and services tax (GST) registered organisations have been reviewed by the Australian Taxation Office (ATO) since the GST was introduced on 1 July 2000.
2. How many of these were community groups that were owed a GST refund because much of their income is from donations.
3. How much time did each organisation have to spend doing the review.
4. How many GST registered organisations were owed a refund on GST after each of the first two quarters.
5. How long did it take to pay the refund, including the average, median and longest times.
6. (a) Is the ATO required to pay interest on refunds outstanding for more than two weeks; (b) How many refunds were outstanding for more than two weeks; and (c) Has interest been paid in all these cases.
7. (a) With the new quarterly payments system, will the ATO automatically remit credits based on the December quarter; if not, why not; and (b) Does that mean that groups which normally are entitled to a refund have no option but to continue completing the business activity statement each quarter.

Senator Kemp—The answer to the honourable senator’s question is as follows:

The ATO has put in place a range of measures to ensure the integrity of the GST refund system. Verification checks (reviews) are undertaken in relation to the lodgment of the Business Activity Statement (BAS). These checks are normally undertaken by telephone or by short duration field visits. The main focus of this work is on correcting inadvertent errors, misunderstandings and providing the necessary advice to put business on the correct footing for the future. Businesses that have made a genuine attempt to implement the new tax system will not be penalised for errors detected.

In respect of the Senator’s specific questions:

1. As at 28 February 2001, the ATO had reviewed 64,400 registered entities since the GST was introduced on 1 July 2000. These reviews were conducted either by telephone verification teams (48,600) or via field verification teams (15,800).
(2) Out of the 64,400 entities reviewed, 526 were community groups. A community group is an Income Tax Exempt or a Gift Deductible Entity which receives 50% or more of its income from donations. Of the 526 community groups reviewed, 520 were owed a refund.

(3) Approximately 270 of these community groups were reviewed by telephone, which on average would require the organisation to spend between 15 and 30 minutes on the call. The remainder was the subject of a field verification review, which would require, on average, 2 1/2 to 3 hours on the field visit.

(4) The ATO does not capture this information in an immediately accessible form.

(5) The ATO currently processes over 90% of refunds within 14 days. It is not possible to provide average, median and longest times for this processing because the ATO systems do not capture this information for reporting purposes.

(6) (a) Yes, subject to certain exceptions, the ATO is required to pay delayed refund interest on refunds outstanding for more than 14 days.
    (b) The ATO is unable to furnish this information because data relating to refund performance is not separately collected.
    (c) Where a refund issues after 14 days, the ATO considers the individual case and determines whether interest should be paid. Interest is not paid where the delay in the refund has been caused by taxpayer error.

(7) (a) and (b) To be eligible to use the new GST quarterly instalment (payment) option from the March 2001 quarter a taxpayer must have paid a net GST amount on the BAS for the December 2000 quarter. However, where a taxpayer only received a net refund because of a special sales tax credit and the taxpayer meets the other eligibility requirements, he or she can also use the new GST quarterly instalment option from the March 2001 quarter.

Taxpayers with a refund in the December 2000 quarter can continue their current way of reporting and claiming refunds or, from the March 2001 quarter, they can choose a streamlined quarterly BAS which has simplified reporting requirements.

Roads: Funding
(Question No. 3531)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 22 March 2001:

(1) By category, what is the level of Commonwealth funding for roads committed for the 2000-01 financial year.

(2) By category, what is the level of Commonwealth funding for roads committed for the 2001-02, 2002-03, 2003-04 and 2004-05 financial years.

(3) In these out years what level of funding has been allocated to specific projects and what level of funding remains unallocated.

(4) Where funding has been allocated to specific projects: (a) what is the nature of each project; (b) what is the level of funding allocated; (c) over what period has the funding been allocated for each project; and (d) in which category of funding does each project appear.

(5) (a) what is the level of funds expended on the Western Sydney Orbital to date; and (b) what funding has been allocated for this project for the 2000-01, 2001-02, 2002-03, 2003-04 and 2004-05 financial years.

Senator Ian Macdonald—The answer to the honourable senator’s questions is as follows:

(1) Figures shown below are the cash payments under the roads program for 2000-01.
(2)

<table>
<thead>
<tr>
<th>Category</th>
<th>$m</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Highway</td>
<td>697.266</td>
</tr>
<tr>
<td>Roads of National Importance</td>
<td>135.072</td>
</tr>
<tr>
<td>Black Spots</td>
<td>40.918</td>
</tr>
<tr>
<td>Total ALTD Funding</td>
<td>832.338</td>
</tr>
<tr>
<td>Roads to Recovery</td>
<td>150.000</td>
</tr>
</tbody>
</table>
Funding attributed to projects by category for the years 2001-02 to 2004-05 and the unattributed funding is set out below.

<table>
<thead>
<tr>
<th>Category</th>
<th>2001-02</th>
<th>2002-03</th>
<th>2003-04</th>
<th>2004-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Highway (Federation Fund)</td>
<td>776.22</td>
<td>754.57</td>
<td>795.59</td>
<td>805.52</td>
</tr>
<tr>
<td>Roads of National Importance</td>
<td>8.90</td>
<td>31.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>2.40</td>
<td>2.40</td>
<td>2.40</td>
<td>2.40</td>
</tr>
<tr>
<td>Unattributed Expenses</td>
<td>9.59</td>
<td>-3.31</td>
<td>-18.34</td>
<td>21.58</td>
</tr>
<tr>
<td>TOTAL NH AND RONI EXPENSES</td>
<td>1046.38</td>
<td>1,094.17</td>
<td>1,002.66</td>
<td>1,010.71</td>
</tr>
<tr>
<td>Local Government Grants Identified for Roads</td>
<td>422.32</td>
<td>437.90</td>
<td>453.36</td>
<td>469.77</td>
</tr>
<tr>
<td>Roads to Recovery</td>
<td>302.16</td>
<td>302.16</td>
<td>302.16</td>
<td>152.16</td>
</tr>
<tr>
<td>Black Spots</td>
<td>48.85</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL FEDERAL ROAD EXPENSES</td>
<td>1819.71</td>
<td>1834.49</td>
<td>1758.45</td>
<td>1632.92</td>
</tr>
</tbody>
</table>

Note: The funding breakup between National Highway and RoNI is indicative only.

<table>
<thead>
<tr>
<th>COST</th>
<th>01-02</th>
<th>02-03</th>
<th>03-04</th>
<th>04-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEW SOUTH WALES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NATIONAL HIGHWAY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sydney Urban Link</td>
<td>30.2</td>
<td>12.2</td>
<td>4.3</td>
<td></td>
</tr>
<tr>
<td>Western Sydney Orbital</td>
<td>300.0</td>
<td>41.0</td>
<td>61.6</td>
<td>61.6</td>
</tr>
<tr>
<td>F3 Freeway</td>
<td>90.0</td>
<td>1.0</td>
<td>13.0</td>
<td>17.0</td>
</tr>
<tr>
<td>Hume Highway</td>
<td>614.4</td>
<td>16.3</td>
<td>18.6</td>
<td>37.5</td>
</tr>
<tr>
<td>New England Highway</td>
<td>114.7</td>
<td>4.5</td>
<td>18.8</td>
<td>36.9</td>
</tr>
<tr>
<td>Newell Highway</td>
<td>217.3</td>
<td>25.8</td>
<td>41.3</td>
<td>50.4</td>
</tr>
<tr>
<td>Barton Highway</td>
<td>40.0</td>
<td>0.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sturt Highway</td>
<td>2.8</td>
<td>0.1</td>
<td>2.7</td>
<td></td>
</tr>
<tr>
<td>Network (slope stability works)</td>
<td>11.1</td>
<td>0.4</td>
<td>1.0</td>
<td>4.3</td>
</tr>
<tr>
<td>Asset Preservation</td>
<td>130.1</td>
<td>130.1</td>
<td>130.1</td>
<td>130.1</td>
</tr>
<tr>
<td>TOTAL NATIONAL HIGHWAY</td>
<td>1420.5</td>
<td>231.5</td>
<td>291.3</td>
<td>337.7</td>
</tr>
<tr>
<td>RONI</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pacific Highway</td>
<td>600.0</td>
<td>65.8</td>
<td>65.8</td>
<td>65.8</td>
</tr>
<tr>
<td>Other RONI</td>
<td>193.0</td>
<td>39.3</td>
<td>47.4</td>
<td>33.8</td>
</tr>
<tr>
<td></td>
<td>COST</td>
<td>01-02</td>
<td>02-03</td>
<td>03-04</td>
</tr>
<tr>
<td>----------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>TOTAL RONI</td>
<td>793.0</td>
<td>105.1</td>
<td>113.2</td>
<td>99.6</td>
</tr>
<tr>
<td>TOTAL NSW</td>
<td>2213.5</td>
<td>336.6</td>
<td>404.5</td>
<td>437.3</td>
</tr>
</tbody>
</table>

**VICTORIA**

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Link</td>
<td>12.0</td>
<td>6.0</td>
<td>5.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hume Highway</td>
<td>428.0</td>
<td>37.0</td>
<td>67.0</td>
<td>77.5</td>
<td>122.6</td>
</tr>
<tr>
<td>Western Highway</td>
<td>65.0</td>
<td>23.3</td>
<td>2.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goulburn Valley Highway</td>
<td>151.0</td>
<td>26.2</td>
<td>30.5</td>
<td>35.2</td>
<td>20.0</td>
</tr>
<tr>
<td>Asset Preservation</td>
<td>33.2</td>
<td>33.2</td>
<td>33.2</td>
<td>33.2</td>
<td></td>
</tr>
<tr>
<td>TOTAL NATIONAL HIGHWAY</td>
<td>656.0</td>
<td>125.7</td>
<td>137.7</td>
<td>145.9</td>
<td>175.8</td>
</tr>
<tr>
<td>Scoresby Freeway</td>
<td>220.0</td>
<td>25.3</td>
<td>68.4</td>
<td>49.3</td>
<td>27.0</td>
</tr>
<tr>
<td>Other RONI</td>
<td>210.0</td>
<td>72.6</td>
<td>60.5</td>
<td>12.5</td>
<td>45.0</td>
</tr>
<tr>
<td>TOTAL RONI</td>
<td>430.0</td>
<td>97.9</td>
<td>128.9</td>
<td>61.8</td>
<td>72.0</td>
</tr>
<tr>
<td>TOTAL VICTORIA</td>
<td>1086.0</td>
<td>223.54</td>
<td>266.6</td>
<td>207.7</td>
<td>247.8</td>
</tr>
</tbody>
</table>

**QUEENSLAND**

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>National Highway</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban / Ipswich Motorway</td>
<td>360.0</td>
<td>8.7</td>
<td></td>
<td>24.0</td>
<td>35.0</td>
</tr>
<tr>
<td>Bruce Highway</td>
<td>373.2</td>
<td>57.9</td>
<td>40.5</td>
<td>15.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Warrego Highway</td>
<td>268.3</td>
<td>18.2</td>
<td>7.1</td>
<td>29.0</td>
<td></td>
</tr>
<tr>
<td>Barkly Highway</td>
<td>108.3</td>
<td>35.7</td>
<td>29.9</td>
<td>19.5</td>
<td></td>
</tr>
<tr>
<td>Gore Highway</td>
<td>7.0</td>
<td>4.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Network (widening &amp; rehab)</td>
<td>155.9</td>
<td>39.6</td>
<td>19.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset Preservation</td>
<td>73.1</td>
<td>67.1</td>
<td>67.1</td>
<td>67.1</td>
<td></td>
</tr>
<tr>
<td>TOTAL NATIONAL HIGHWAY</td>
<td>1284.7</td>
<td>237.7</td>
<td>163.7</td>
<td>154.6</td>
<td>108.1</td>
</tr>
<tr>
<td>Pacific Highway</td>
<td>150.0</td>
<td>16.4</td>
<td>16.4</td>
<td>16.4</td>
<td>16.4</td>
</tr>
<tr>
<td>Other RONI</td>
<td>56.1</td>
<td>3.0</td>
<td>14.9</td>
<td>12.7</td>
<td></td>
</tr>
<tr>
<td>TOTAL RONI</td>
<td>206.1</td>
<td>19.4</td>
<td>31.3</td>
<td>29.1</td>
<td>16.4</td>
</tr>
<tr>
<td>TOTAL QUEENSLAND</td>
<td>1490.7</td>
<td>257.1</td>
<td>195.1</td>
<td>183.8</td>
<td>124.6</td>
</tr>
</tbody>
</table>

**WESTERN AUSTRALIA**

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>National Highway</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Great Eastern Highway</td>
<td>149.0</td>
<td>31.5</td>
<td>21.8</td>
<td>15.0</td>
<td>15.0</td>
</tr>
<tr>
<td>Eyre Highway</td>
<td>50.0</td>
<td>8.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Great Northern Highway</td>
<td>98.5</td>
<td>6.6</td>
<td>6.2</td>
<td>9.0</td>
<td>14.7</td>
</tr>
<tr>
<td>Network (resealing and rehabilitation)</td>
<td>28.1</td>
<td>6.4</td>
<td>6.5</td>
<td>0.3</td>
<td></td>
</tr>
<tr>
<td>Asset Preservation</td>
<td>27.6</td>
<td>27.6</td>
<td>27.6</td>
<td>27.6</td>
<td></td>
</tr>
<tr>
<td>TOTAL NATIONAL HIGHWAY</td>
<td>325.6</td>
<td>80.1</td>
<td>62.1</td>
<td>51.9</td>
<td>57.3</td>
</tr>
<tr>
<td>RONI</td>
<td>76.0</td>
<td>21.0</td>
<td>30.0</td>
<td>25.0</td>
<td></td>
</tr>
<tr>
<td>TOTAL WESTERN AUSTRALIA</td>
<td>401.6</td>
<td>101.1</td>
<td>92.1</td>
<td>76.9</td>
<td>57.3</td>
</tr>
</tbody>
</table>

**SOUTH AUSTRALIA**
### NATIONAL HIGHWAY

<table>
<thead>
<tr>
<th></th>
<th>COST</th>
<th>01-02</th>
<th>02-03</th>
<th>03-04</th>
<th>04-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adelaide Urban Link</td>
<td>258.5</td>
<td>10.9</td>
<td>12.4</td>
<td>21.3</td>
<td>19.8</td>
</tr>
<tr>
<td>Dukes Highway</td>
<td>14.2</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Sturt Highway</td>
<td>15.0</td>
<td>2.0</td>
<td>0.5</td>
<td>6.9</td>
<td>6.0</td>
</tr>
<tr>
<td>Adelaide to Port Augusta</td>
<td>21.0</td>
<td>4.0</td>
<td>5.0</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>Eyre Highway</td>
<td>36.3</td>
<td>2.9</td>
<td>3.2</td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td>TOTAL NATIONAL HIGHWAY</td>
<td>345.0</td>
<td>45.1</td>
<td>46.4</td>
<td>60.8</td>
<td>51.1</td>
</tr>
<tr>
<td>RONI</td>
<td>18.5</td>
<td>5.0</td>
<td>6.0</td>
<td>7.5</td>
<td></td>
</tr>
<tr>
<td>TOTAL SOUTH AUSTRALIA</td>
<td>363.5</td>
<td>50.1</td>
<td>52.4</td>
<td>68.3</td>
<td>51.1</td>
</tr>
</tbody>
</table>

### TASMANIA

#### NATIONAL HIGHWAY

<table>
<thead>
<tr>
<th></th>
<th>COST</th>
<th>01-02</th>
<th>02-03</th>
<th>03-04</th>
<th>04-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midland Highway</td>
<td>6.8</td>
<td>5.4</td>
<td>3.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Bass-Midland</td>
<td>5.1</td>
<td>2.2</td>
<td>0.7</td>
<td>0.7</td>
<td></td>
</tr>
<tr>
<td>Bass Highway</td>
<td>52.0</td>
<td>6.7</td>
<td>7.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Network (planning &amp; upgrading)</td>
<td>5.3</td>
<td>.7</td>
<td>.7</td>
<td>.2</td>
<td></td>
</tr>
<tr>
<td>Asset Preservation</td>
<td>6.9</td>
<td>6.9</td>
<td>6.9</td>
<td>6.9</td>
<td></td>
</tr>
<tr>
<td>TOTAL NATIONAL HIGHWAY</td>
<td>69.1</td>
<td>21.9</td>
<td>18.3</td>
<td>17.8</td>
<td>16.9</td>
</tr>
<tr>
<td>RONI</td>
<td>0.4</td>
<td>0.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL TASMANIA</td>
<td>69.1</td>
<td>22.2</td>
<td>18.3</td>
<td>17.8</td>
<td>16.9</td>
</tr>
</tbody>
</table>

### NORTHERN TERRITORY

#### NATIONAL HIGHWAY

<table>
<thead>
<tr>
<th></th>
<th>COST</th>
<th>01-02</th>
<th>02-03</th>
<th>03-04</th>
<th>04-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stuart Highway</td>
<td>19.8</td>
<td>7.0</td>
<td>6.0</td>
<td>8.8</td>
<td></td>
</tr>
<tr>
<td>Victoria Highway</td>
<td>18.8</td>
<td>3.3</td>
<td>5.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset Preservation</td>
<td>17.5</td>
<td>17.5</td>
<td>17.5</td>
<td>17.5</td>
<td>17.5</td>
</tr>
<tr>
<td>TOTAL NATIONAL HIGHWAY</td>
<td>38.5</td>
<td>27.8</td>
<td>29.0</td>
<td>26.3</td>
<td>17.5</td>
</tr>
<tr>
<td>RONI</td>
<td>0.3</td>
<td>0.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL NORTHERN TERRITORY</td>
<td>38.6</td>
<td>28.1</td>
<td>29.0</td>
<td>26.3</td>
<td>17.5</td>
</tr>
</tbody>
</table>

### AUSTRALIAN CAPITAL TERRITORY

#### NATIONAL HIGHWAY

<table>
<thead>
<tr>
<th></th>
<th>COST</th>
<th>01-02</th>
<th>02-03</th>
<th>03-04</th>
<th>04-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barton Highway</td>
<td>13.3</td>
<td>6.0</td>
<td>5.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset Preservation</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td></td>
<td>0.6</td>
</tr>
<tr>
<td>TOTAL NATIONAL HIGHWAY</td>
<td>13.3</td>
<td>6.6</td>
<td>6.1</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>RONI</td>
<td>0.2</td>
<td>0.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL ACT</td>
<td>13.3</td>
<td>6.8</td>
<td>6.1</td>
<td>0.6</td>
<td>0.6</td>
</tr>
</tbody>
</table>

(Note: Figures may not add up to totals due to rounding)

5) (a) The level of funds expended on the Western Sydney Orbital to 30 June 2001 is $75.534m.
(b) Funds allocated for the Western Sydney Orbital for the years 2000-01 to 2004-05 are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$m</td>
<td>$m</td>
<td>$m</td>
<td>$m</td>
<td>$m</td>
<td>$m</td>
</tr>
<tr>
<td>20.00</td>
<td>41.04</td>
<td>61.56</td>
<td>61.56</td>
<td>61.56</td>
<td></td>
</tr>
</tbody>
</table>
Health: Consumer Medicine Information
(Question No. 3577)

Senator Brown asked the Minister representing the Minister for Health and Aged Care, upon notice, on 7 May 2001:

Is it compulsory for consumer medicine information leaflets to be issued with all pharmaceuticals, including those with potentially dangerous side effects such as Doryx; if not, why not; if so, who is responsible for ensuring the leaflets are issued with the drugs.

Senator Vanstone—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:

It is a Commonwealth legislative requirement under the Therapeutic Goods Act 1989 for Consumer Medicine Information (CMI) documents to be available for all new medicines registered for marketing since 1 January 1993. This is expected to be extended to all prescription medicines registered for marketing prior to 1993 within the next 12 months. This initiative was intended to provide patients with adequate information concerning medication details.

Sponsors can include the CMI document as an insert in the medicine packaging, or by any other means that makes the CMI available to the patient that is using the medicine. The method of distribution must comply with other relevant legislative requirements, such as the Therapeutic Goods Administration (TGA) Advertising Code. However, the TGA can not compel health professionals to supply CMI documents and since sponsors do not directly interact with consumers, it is not possible for them to guarantee the supply itself, only the availability of CMI documents.

The vast majority of medicine sponsors in Australia have accepted the need to distribute their CMIs electronically, and have expended considerable resources in making them available to end users such as dispensing and prescribing software providers or compendium publishers. A small number of sponsors have chosen to make their CMI documents available only in hard copy as part of the medicine’s packaging.

The new Pharmacy Development Program introduced as part of the third Community Pharmacy Agreement, includes provision for payment to Community Pharmacy to assist in the provision of medicines information to consumers, specifically the electronic CMI developed by sponsors.

Although Doryx capsules were registered for marketing prior to 1 January 1993, there is a CMI document for this product available electronically.

Drugs: Premarin
(Question No. 3581)

Senator Bartlett asked the Minister representing the Minister for Health and Aged Care, upon notice, on 11 May 2001:

(1) Is the pharmaceutical Premarin manufactured in Australia, or are there plans to do so.
(2) If Premarin is manufactured in Australia: (a) where is it manufactured; (b) what companies are involved; (c) how many mares are used in each Premarin operation; (d) how is the urine collected; and (e) what happens to the foals that are born.

Senator Vanstone—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:

(1) No. The pharmaceutical product Premarin is not manufactured in Australia.

National Illicit Drugs Campaign
(Question No. 3591)

Senator Denman asked the Minister representing the Minister for Health and Aged Care, upon notice, on 1 June 2001:

With reference to the National Illicit Drugs Campaign:

(1) Given the amount of money spent on research and the campaign, did the developmental research involve any longitudinal surveys to determine whether the campaign strategy would work.
(2) (a) What research methodology was used; and (b) how many focus groups were conducted.
(3) What proportion of respondents in focus groups came from marginal electorates.

(4) The Daily Telegraph of 31 March 2001 reported that the department’s ‘chief researcher’, Dr Carroll, could not cite one piece of research that shows that this campaign could be effective. What evidence did the department have that parents talking to children could prevent drug use.

(5) When did Carroll Communications become involved in the campaign.

(6) Why is Carroll Communications not mentioned in the consultancy appendices of the past two departmental annual reports.

(7) How much was Carroll Communications paid to work on the campaign.

(8) Was there a tender process for the appointment of Carroll Communications.

(9) Was the Prime Minister’s office involved in the appointment of Carroll Communications.

(10) Was the Government’s communications unit involved in the appointment of Carroll Communications.

(11) (a) Did Carroll Communications provide input into the Prime Minister’s booklet, sent to all Australian households; and (b) what was that input.

Senator Vanstone—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:

(1) No. Longitudinal surveys are not an appropriate methodology for campaign development.

(2) (a) A combination of quantitative and qualitative methods have been used, with surveys being used to quantify key attitudinal and behavioural variables and qualitative research being used to gain an understanding of the community’s attitudes, beliefs, knowledge, intentions and behaviour regarding illicit drugs. Qualitative research was used to test and refine campaign materials.

(b) A total of 87 focus group discussions were conducted over 8 phases of research in the process of testing and refining campaign materials (41 among parents of 12-17 year olds, 26 among parents of 8-11 year olds, and 20 among teenagers). In addition, 12 in-depth interviews were conducted specifically with parents of illicit drug users although they were also represented in the majority of focus groups.

(3) This is not known. Location of groups was based on the need to obtain a broad cross section of the Australian population and was not based on electorates. Research was conducted in a mixture of metropolitan and rural locations across New South Wales, Victoria, Queensland, Western Australia and South Australia

(4) The question that Dr Carroll was answering in the interview reported in the Daily Telegraph of 31 March was whether the campaign was replicating a similar campaign, which had been shown to be effective elsewhere. The answer to this question is no, a campaign of this scope and scale has never been conducted anywhere in the world to date. There is strong research underpinning this strategy in the international literature, which has been backed by the developmental research, conducted by the Department. Overseas research has shown that the family has an important role in preventing drug use, through their attitudes, modelling and relationships. Specifically, strong protective factors against drug use have been identified as strong family bonds, parental monitoring and involvement with their children. Research has also demonstrated that parents require help to identify appropriate areas for their involvement and in acquiring practical strategies.

References

(5) Dr Carroll of Carroll Communications has been involved in the National Illicit Drugs Campaign since the beginning of the campaign, when the early formative research was being conducted in the latter part of 1998.
(6) In accordance with Commonwealth finance regulations, the contract was gazetted. However it was a departmental error that it was not included in the annual report.

(7) Dr Tom Carroll is contracted to provide services for a number of population health social marketing campaigns. Carroll Communications was not paid an individual amount to work on the National Illicit Drugs Campaign.

(8) Yes. A market testing exercise was conducted to appoint a behavioural research/public health expert to provide contract services for population health social marketing campaigns.

(9) No.

(10) No. As this was a contract for a behavioural research/public health expert the Government Communications Unit was not involved in the appointment of Carroll Communications.

(11) (a) Yes, Dr Carroll from Carroll Communications did provide input into the booklet as part of his overall role of Senior Adviser, Research and Marketing to the Drug Strategy and Population Health Social Marketing Branch.

(b) Dr Carroll commented on drafts of the booklet prepared by the Department and provided overall advice about the role of the booklet in the campaign strategy.

Tasmanian Wilderness World Heritage Management Plan: Funding
(Question No. 3614)

Senator Brown asked the Minister for the Environment and Heritage, upon notice, on 14 June 2001:

(1) Is it correct that Commonwealth funding for implementation of the Tasmanian Wilderness World Heritage Management Plan runs out in 2002 and that no provision has been made for ongoing funding in the forward estimates.

(2) How many jobs in Tasmania are wholly or partially funded by the Commonwealth contribution.

(3) What components of the management plan are wholly or partially funded by the Commonwealth contribution.

(4) Will the Minister guarantee continued Commonwealth funding at or above the current level of $5.3 million per annum to manage the Tasmanian Wilderness World Heritage area.

Senator Hill—The answer to the honourable senator’s question is as follows:

(1) The current four-year Agreement between Tasmania and the Commonwealth on arrangements for funding of the Tasmanian Wilderness World Heritage Area concludes at the end of the 2001-02 financial year. Over the four-year period of the Agreement the Commonwealth will have provided $20.6 million to assist with the management of the Tasmanian Wilderness World Heritage Area. The Agreement anticipates joint funding beyond the period of the current Agreement and I have authorised officials to commence negotiations on a new joint funding arrangement.

(2) and (3) The purpose of the Agreement is to ensure appropriate funding is provided to support effective management arrangements for the World Heritage Area and to meet additional management costs arising from World Heritage Listing. The Agreement is not directed at job creation per se. The Commonwealth and Tasmania endorse an annual budget for projects and programs within the Tasmanian Wilderness World Heritage Area. In accordance with the Agreement, priority is given to projects or programs required to implement the Tasmanian Wilderness World Heritage Area Management Plan 1999. Neither Tasmania’s nor the Commonwealth’s base funding contribution is apportioned against specific items of recurrent or project expenditure.

(4) The Commonwealth is committed to the protection and conservation of all of Australia’s fourteen World Heritage areas. The Commonwealth will continue to provide appropriate assistance to the States to enhance the management of Australia’s World Heritage areas and will meet all commitments it has made to the States.

Film Classification
(Question No. 3619)

Senator Greig asked the Minister representing the Attorney-General, upon notice, on 15 June 2001:
(1) How can the Government be adequately advised by the Office of Film and Literature Classification (OFLC) when public consultation and research is claimed as a key outcome when, in fact, in the area of DVDs, videos and films the Government has indeed ignored the largest single classification, that of X.

(2) Does the Minister consider that the effectiveness of the classification system in this country, a large part which is dependent upon the commercial viability of the industries which utilise the OFLC, is irrelevant to the OFLC.

(3) (a) Can the Minister be confident in the expertise of the members of the review board; and (b) does the Minister consider members to be across all genres and conventions of adult films.

(4) Has the Government appointed an industry expert to work on these panels; if so, who; if not, why not.

(5) With reference to ‘community standards’, will the Minister advise as to what the Government’s definition of community is. Does this definition include members of the community who are gay. Does it also include those members who are not parents, and those who are sex workers. Are those people exempt from upholding community standards.

(6) If there is research that has been done on community standards, can a copy be provided of: (a) the methodology employed for the research; and (b) all relevant data collection statistics, including sample size, areas, analysis of raw data, who did the analysis, how often it is carried out and statistics updated.

Senator Ellison—The Attorney-General has provided the following answer to the honourable senator’s question:

(1) The X classification is a special and legally restricted category which contains only sexually explicit material. Films and videotapes classified X are only available for sale or hire in the Australian Capital Territory and the Northern Territory. The X classification was revised by the Government in September 2000 following extensive consultation between Commonwealth, State and Territory Ministers with censorship responsibilities and after considering the recommendations in the Report on the Classification (Publications, Films and Computer Games) Amendment Bill by the Senate Legal and Constitutional Committee.

Commonwealth, State and Territory Ministers with censorship responsibilities have agreed to a sequential review of the classification guidelines to ensure that they continue to reflect community standards. The combined review of the film and computer games guidelines will address issues arising from the convergence of films and computer games in new forms of digital recordings. The review will also ensure that the classification guidelines keep abreast of technological developments.

(2) No. While the enforcement of the national classification scheme is the responsibility of the States and Territories the effectiveness of the scheme is a significant issue for the OFLC. The OFLC consults regularly with industry customers regarding classification processes and monitors the complaints received about the classification scheme. Together with the States and Territories, the Commonwealth participates in a joint Community Liaison Officer Scheme, the aim of which is to assist retailers and distributors of publications, films and computer games to comply with their legal obligations under the national classifications scheme.

(3) (a) Yes. The Minister is confident in the expertise of the Classification Review Board. Members of the Classification Review Board, like the Classification Board, are appointed under the Classification (Publications, Films and Computer Games) Act 1995 for fixed terms to be broadly representative of the Australian community. The Governor-General appoints members on the recommendation of the Commonwealth Attorney-General after consultation with all Ministers with censorship responsibilities.

(b) Members of the Classification Review Board, as independent statutory decision makers, are required to review on application the decisions of the Classification Board. In reviewing those decisions the Classification Review Board is required to apply the National Classification Code and the relevant classification guidelines.

(4) No. Section 74(2) of the Classification (Publications, Films and Computer Games) Act 1995 refers to the desirability of ensuring the membership of the Classification Review Board is broadly representative of the Australian community. There is no requirement under the Act to appoint an in-
dustry expert to the Classification Review Board. The Classification Review Board members are required, when making a decision, to apply the National Classification Code and the relevant classification guidelines.

(5) “Community standards” in the context of the national classification scheme is taken to mean the broad Australian community.

(6) The Office of Film and Literature Classification commissioned an independent consultancy to undertake qualitative research investigation community standards in relation to film classification. The Final Report of this research, the Community Assessment Panels Report was published on 2 June 2000. A copy is being provided to Senator Greig for information.

**Timber Industry: Plantation Companies**

(Question No. 3639)

Senator Brown asked the Minister representing the Minister for Forestry and Conservation, upon notice, on 20 June 2001:

(1) Is the Minister aware that several listed plantation companies will fail to meet sales and profit forecasts and that share prices for many companies in the sector have collapsed.

(2) Does the Minister agree with industry analyst Ausnewz that, ‘there is bound to be ongoing downward pressure on price’ for hardwood pulpwood or does the Minister stand by the statement in the 2020 Vision reference document that, ‘Because of the healthy long term price outlook finding markets for wood before planting should not be a priority’ (Centre for International Economics final report, 1997).

(3) Does the Commonwealth Government consider that the long-term price outlook for plantation wood is healthy.

(4) Is the Commonwealth Government encouraging private investment in plantations through the 2020 Vision.

(5) What implications does the current turmoil in the plantation sector have for the 2020 Vision.

Senator Hill—The Minister for Forestry and Conservation has provided the following answers to the honourable senator’s question:

(1) The listed afforestation companies are requested to inform the stock market of their expectations of product sales and the impact of those sales on profit forecasts. It seems that the uncertainty raised through the media about the tax treatment of primary production investment projects has affected investor confidence in this sector. Lower than expected product sales and profits could be expected to have an immediate impact on the share price of the listed companies (Cathy Bolt, Australian Financial Review, 20 June 2001).

(2) The long-term nature of plantation forestry means that this investment activity may cover commercial rotation periods of between 10 and 50 years. It is therefore difficult to arrange timber supply contracts or the establishment of processing facilities until a substantial proportion of the resource has actually been planted. The long-term outlook for plantation logs suggests that markets will be available for Australia’s emerging timber resources. Where there are concerns over the long-term price outlook for hardwood pulpwood, afforestation companies have been taking into account the growing demand within the Asia-Pacific region for paper products that would be made from eucalypt pulp. The additional benefits of planting a versatile species such as Eucalyptus globulus (Blue gum) is that the stand management regimes can be altered to produce a range of high-value products. Blue gum timber can be used to manufacture fine printing papers, flooring, furniture, laminated veneer lumber (LVL) and structural sawn timber products.

(3) Australian plantation growers are attempting to build a scale of resources that will supply world-competitive, domestic processing facilities to meet the excess demand predictions for the Asia-Pacific region. The capacity to produce timber most efficiently will have some bearing on where the growing markets of the region source their timber products. In the FAO report Asia-Pacific Forestry Towards 2010 the following annual shortfall in timber supply by 2010 were predicted for the region:

- 50 million cubic metres of industrial roundwood
- 17 million cubic metres of sawnwood
3 million cubic metres of panels, and
4 million metric tonnes of paper and paperboard.
The FAO report has estimated that the paper and paperboard markets alone are expected to grow by approximately 60 per cent between 1994 and 2010. Combining these potential shortfalls in supply with rapidly increasing timber imports by the United States (B. Flynn, Latin American Plantation Forest Industry – an update on markets and supply; Second International Wood Markets Conference, Melbourne, October 2000) and the capacity to increase the per capita consumption of paper products in our economic region indicates a positive market outlook for plantation wood in future.

(4) The Federal Government, in partnership with State Governments and the private sector, developed the 2020 Vision framework to encourage investment in timber production by removing the impediments to plantation establishment. It has been recognised by all industry stakeholders that the resource base must be developed at a regional level to supply world-scale timber processing facilities that are cost-competitive over the long-term. The recent growth in the plantation resource is viewed by the Commonwealth as an essential component of Australia becoming self-sufficient in paper and timber products. This is of particular importance given Australia’s partial dependence on wood products manufactured using timber harvested from the forests of developing countries.

(5) The uncertainty that has arisen from the continued press coverage of mass-marketed, tax effective investment schemes has not helped the afforestation companies in their attempt to maintain plantation establishment rates around the 2020 Vision target of 80,000 hectares per annum. The Government has been acting to ensure appropriate governance arrangements are in place for all prospectus-based investments, including plantation forestry. In the future, investor confidence should be enhanced by a settled understanding that the tax deductions for a particular project are secure if the investment is covered by a current product ruling and the project is carried out in accordance with the prospectus documents. Constant criticism of the plantation sector could be self-fulfilling and lead to a decline in investment, raising Australia’s dependence on imports and therefore, our consumption of timber harvested from the native forests of other countries.

Tasmania: Regional Forest Agreement
(Question No. 3641)

Senator Brown asked the Minister representing the Minister for Forestry and Conservation, upon notice, on 22 June 2001:

With reference to the answer to question on notice no. 3538, in particular (5)(a) and (5)(b) (Senate Hansard, 22 May 2001, p. 23759):

How much of the Commonwealth Government industry finance package under the Regional Forest Agreement: (a) is planned to be spent on replacing native forests with plantations; (b) has already been spent on replacing native forests with plantations.

Senator Hill—The Minister for Forestry and Conservation has provided the following answer to the honourable senator’s question:
The Commonwealth Government does not have the detailed information requested.

AusAid: Kikori Integrated Conservation and Development Project
(Question No. 3647)

Senator Brown asked the Minister representing the Minister for Foreign Affairs, upon notice, on 27 June 2001:

With reference to the answer to question on notice no. 3571 (Senate Hansard, 18 June 2001, p. 24545):

(1) Has the World Wide Fund for Nature (WWF) approached or sought approval for funds from AusAid to match the funding it would receive from Chevron following the divestment of management of the Kikori Integrated Conservation and Development Project from WWF United States (US) to WWF Australia.

(2) When did AusAid first become aware that logs milled by Kikori Pacific Limited (KPL), established by WWF, were being sourced from mangroves.

(3) What action was taken by AusAid to investigate these reports.
(4) Is the Minister aware that a report, A future for our forests, dated February 2000, written by WWF and funded by AusAid, noted on page 16 that logging in mangrove forests has been banned.

(5) Is the Minister aware that the same report noted on page 31 that, The Kikori project, for instance is cutting in forests that are excluded to industrial forestry.

(6) Does the Minister accept that the reason for industrial logging being excluded from mangroves was for the protection of shorelines and biological diversity.

(7) Of the $159 309 that AusAid provided to WWF in the 1999-2000 financial year for the Sustainable Forest Management in Melanesia program, how much was provided to fund a review of the financial situation of KPL.

(8) Why was the review considered necessary.

(9) Was AusAid provided with a copy of the WWF report on the financial situation of KPL; if so, when was a copy provided; if not, why not.

(10) If AusAid was not provided with a copy of the report, why did AusAid consider it a priority in the 2000-01 financial year to fund WWF for the Sustainable Forest Management in Melanesia program, including a component related to KPL.

(11) Of the $143 248 provided to WWF in the 2000-01 financial year for the Sustainable Forest Management in Melanesia program, how much was provided to assist KPL.

(12) Is the Minister aware that it is the intention of WWF US to transfer administrative responsibility for KPL to WWF Australia.

(13) Has the Minister, his staff or AusAid ever approached to consider funding in the 2001-02 financial year for KPL, either directly in its own name or indirectly through other projects and/or applications such as under the Sustainable Forest Management in Melanesia program.

(14) Which was the first media report that AusAid was aware of concerning the revelation that a WWF internal report expressed concern that the KPL project was involved in processing logs that had been illegally logged from mangrove forests.

(15) Has AusAid ever received a copy of the WWF legal opinion on the legality of logging to supply the KPL operations.

(16) Has AusAid ever requested a copy of the legal opinion; if not, why not.

(17) Does AusAid consider that KPL has ever been financially viable; if so, why.

(18) After the allegations of KPL's involvement in processing logs illegally sourced from mangroves first surfaced, has AusAid had any direct or indirect communication from WWF or KPL; if so, was this communication by letter, fax, e-mail or telephone.

(19) Who was the communication from and to.

(20) What was the nature and general content of the communication.

(21) Did AusAid seek any information from WWF about the allegations of KPL's involvement in processing logs illegally sourced from mangroves; if so, when.

Senator Hill—The Minister for Foreign Affairs has provided the following answers to the honourable senator’s questions:

(1) No.

(2) The Senator’s question on 1 May 2001 was the first time AusAID became aware that logs milled by KPL may have been sourced from mangroves.

(3) AusAID has undertaken enquiries to clarify the situation including discussions with WWF.

(4) Yes I am aware the report states that, “logging in mangrove forests has consequently been banned”. I am also aware that the report states on page 17 that, “more than 97 percent of Papua New Guinea is under customary land tenure and there is no broad-ranging land-use controls that regulate the use of this land, or permit the balancing of different land-use considerations.”

(5) Yes, I am aware that the report notes, “The Kikori Project, for instance is cutting in magrove (Xylocarpus) forests that are excluded to industrial forestry”. Page 19 of the report also notes, “Over the last decade, landowners in PNG have reasserted their sovereignty over natural resources at the same time as the State’s reach and effectiveness has diminished. The reduced capacity of the
State to control what private landowners do on their land is common to the Pacific and particularly Melanesia.”

(6) I understand that commercial industrial logging of mangroves continues to be banned under the PNG Forestry Act.

(7) $2,263.

(8) WWF was testing the premise stated in the same report on page 38 that, “eco-forestry is financially viable when communities receive NGO or donor support for business establishment, forest certification and marketing. However, eco-forestry projects struggle to remain viable if they do not receive outside technical support.”

(9) No. This was an internal WWF report. AusAID does not require any organisation to provide copies of internal reports to be presented to AusAID. NGOs are required to report against project objectives and key result areas as specified in their Annual Development Plan (ADPlan). AusAID has subsequently requested a copy of the report.

(10) AusAID’s accreditation program for NGOs focusses on establishing whether the relevant NGO is developmentally focussed and appropriately managed. This is part of AusAID’s risk management approach to funding Australian NGOs. Once fully accredited, NGOs do not submit applications for individual projects. Rather, fully-accredited NGOs receive an annual funding allocation. To access those funds all fully-accredited agencies including WWF are required to submit an ADPlan, annual report and performance report and acquittal of the previous year’s funding.

Funds are provided in two tranches. The first tranche of 50 per cent is paid in July, the second tranche in November, following AusAID acceptance of the NGO’s ADPlan and previous year’s acquittal.

In 2000/2001 WWF’s proposed program included the “Sustainable Forest Management Program in PNG”. The focus of this program was the sustainable management of the environment and natural forests.

WWF has notified AusAID that it was delaying further activity in relation to KPL under the “Sustainable Forest Management Program in PNG”.

(11) No funds were provided to assist KPL. Funds were provided to WWF in 2000/01 to develop a business plan for KPL. The total AusAID funds expended in developing a business plan for KPL prior to WWF suspending activities with KPL was $2,263.

(12) WWF Aust advised during their 16 May meeting with AusAID that it was planned that WWF Aust would assume administrative responsibility for the KPL Project.

(13) No.

(14) Following the Senator’s initial question, and AusAID’s enquiries a number of media reports have been found including that in The Sydney Morning Herald of 2 March 2001.

(15) Yes.

(16) On receipt of the Senator’s question AusAID requested a copy of any legal opinion obtained by WWF in relation to KPL and alleged logging of mangroves. A copy of the legal opinion provided by Harricknen Lawyers (PNG) dated 2 March 2001 was provided to AusAID by WWF on 5 July 2001. A copy has been provided to Senator Brown’s office.

(17) AusAID does not have a view on the financial viability of KPL. However, AusAID does consider it to be worthwhile to fund WWF to determine such viability.

(18) to (21) Yes. Following receipt of the Senator’s original QoN No. 3571 AusAID approached Marguerite Young of WWF to provide further information on the allegations and WWF’s response to those allegations. AusAID also requested WWF to provide a briefing on their support for Kikori Pacific Limited and sustainable forestry in PNG. WWF were contacted on 9 May 2001 and a meeting held in AusAID on 16 May 2001.

No communication has taken place between AusAID and KPL. AusAID was provided with a copy of WWF’s response to the Channel Four documentary, a copy of the letter to The Hon. Herowa Agiwa, PNG Minister for Environment and Conservation, the WWF draft media release and a copy of the Memorandum of Understanding between WWF-US and KPL.
**Mining Industry: Tailings Disposal**

(Question No. 3649)

Senator Brown asked the Minister for the Environment and Heritage, upon notice, on 26
June 2001:

1. Does the Minister consider the hypothetical possibility of the disposal of mine tailings in rivers in Australia to be consistent with mining 'best practice'; if so, why and under what conditions.
2. Does the Minister consider the disposal of mine tailings in rivers by Australian companies operating overseas to be consistent with mining 'best practice'; if so, why and under what conditions.
3. Does the Minister consider the disposal of mine tailings in the ocean to be consistent with mining 'best practice'; if so, why and under what conditions.

Senator Hill—The answer to the honourable senator’s question is as follows:

1. Australia generally has low relief, a low level of seismic activity, mineral provinces are not generally located in areas of extreme climate and it has large land areas of low population density. The construction of stable conventional tailings storage facilities is therefore relatively straightforward and the preferred option for the disposal of mine tailings. In the circumstances, the disposal of mine tailings in rivers in Australia is inconsistent with mining best practice.

2. The choice of disposal mechanism is ultimately the decision of the host country and is dependent on the geophysical, biophysical and climatic conditions of the mineral provinces of the country. The Government expects Australian companies, whether operating independently or in partnership with overseas companies, to employ best practice environmental management.

3. In certain circumstances and when correctly managed, the Government understands that deep sea tailings placement has been accepted as causing relatively low environmental impact. The subject, however, remains one of international debate. The choice of disposal mechanism must take account of the geophysical, biophysical and climatic environmental conditions but is ultimately the decision of the host country.

**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 portion 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.
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.

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.

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:

The Commonwealth has not yet reached a settlement with Geosafe in relation to the termination of the contract to undertake vitrification work at Maralinga.

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.

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.

Questions concerning Geosafe’s activities should be directed to the company.

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.

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.

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.

A pre-publication draft of the report is attached. It is expected to be published by ARPANSA in the near future.

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.

**Irradiation Plant: Narangba**

(Question No. 3718)

Senator Bolkus asked the Minister for the Environment and Heritage, upon notice, on 17 July 2001:

With reference to Steritech’s proposed commercial irradiation plant at Narangba in Queensland:
(1) Which government departments have been involved in assessing the proposed irradiation plant at Narangba.

(2) Has this assessment included an assessment of the need for gamma irradiation and an assessment of predicted demand for the use of gamma irradiation.

(3) Is there any requirement for other departments to provide information they may have on gamma irradiation for consideration in the assessment of the proposed irradiation plant.

Senator Hill—The answer to the honourable senator’s question is as follows:

(1) My Department is conducting an environmental impact assessment of the proposal under the Environment Protection and Biodiversity Conservation Act 1999. Independent expertise is being employed as necessary to inform the assessment process, including that of the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) and the Australian Nuclear Science and Technology Organisation (ANSTO).

(2) No. These matters are commercial considerations for the proponent.

(3) No. However, relevant information is sought that may inform the assessment. See answer to (1).

Centrelink: Employment Update Publication

(Question No. 3759)

Senator Faulkner asked the Minister for Family and Community Services, upon notice, on 25 July 2001:

Did the entire June 2001, issue no. 13, of the Centrelink publication Employment Update undergo a second national distribution because of a ‘mailing list error’; if so:

(a) what was the cost of the additional distribution of this publication; and

(b) what was the cost of printing the additional copies of the full-colour publication Employment Update for this redistribution.

Senator Vanstone—The answer to the honourable senator’s question is as follows:

Only a very small proportion of the June 2001 edition of Employment Update was subject to a second distribution. The affected address lists were community address lists only, for 4,796 addressees out of a total distribution to close to one million individuals and organisations.

The distribution of the magazine to Centrelink customers was not affected.

(a) There was no cost to Centrelink for the second distribution to the affected address lists. All associated costs were born by the distribution contractor.

(b) There was no cost to Centrelink for any reprinting.
CONTENTS

MONDAY, 20 AUGUST

Condolences—
  Gillard, Mr Reginald ................................................................. 26071
Alcohol Education and Rehabilitation Account Bill 2001—
  Second Reading ........................................................................ 26071
Questions Without Notice—
  Child-care Funding .................................................................. 26088
  Economy: Policy ....................................................................... 26089
Distinguished Visitors ................................................................ 26090
Questions Without Notice—
  Welfare Entitlements ............................................................... 26090
  Rural Transaction Centres ....................................................... 26092
  Medicare: Bulk-Billing ............................................................ 26092
  Charities: Sheppard Report ..................................................... 26093
  Centrelink: Breaches .............................................................. 26094
  Women: Maternity Leave ......................................................... 26095
  Work for the Dole Program ..................................................... 26096
  Coastal Surveillance ............................................................... 26097
  Education: Tertiary................................................................. 26098
  Overseas Aid: Papua New Guinea .......................................... 26100
Answers to Questions Without Notice—
  Veterans: Delays in Processing of Claims ............................... 26100
Answers to Questions On Notice—
  Questions Nos 2587 to 2590 ..................................................... 26101
Radioactive Waste ................................................................. 26104
Answers to Questions Without Notice—
  Centrelink: Breaches .............................................................. 26104
Petitions—
  National Flag ........................................................................ 26110
  Occupational Health and Safety Legislation .......................... 26110
Notices—
  Presentation ........................................................................... 26111
Committees—
  Intelligence Services Committee—Meeting .............................. 26112
  Rural and Regional Affairs and Transport Legislation Committee—
    Meeting .............................................................................. 26112
Parliamentary Entitlements ......................................................... 26112
Committees—
  Environment, Communications, Information Technology and the Arts
    References Committee—Meeting .............................................. 26112
Financial Services Reform Bill 2001—
  Report of Corporations and Securities Committee .................... 26112
Documents—
  Auditor-General’s Reports—Report No. 9 of 2001-02 ............... 26112
  Human Rights Register .......................................................... 26112
Committees—
  National Capital and External Territories Committee—
    Minutes of Proceedings ........................................................ 26112
CONTENTS—continued

Budget 2001-02—
Consideration by Rural and Regional Affairs and Transport Legislation Committee—Additional Information ................................................................. 26112

Committees—
Superannuation and Financial Services Committee—Report .................. 26113
Treaties Committee—Report ........................................................................ 26116
Membership........................................................................................................ 26117

Financial Sector (Collection of Data) Bill 2001, and
Financial Sector (Collection of Data—Consequential and Transitional Provisions) Bill 2001—
First Reading ........................................................................................................ 26117
Second Reading .................................................................................................... 26118

Taxation Laws Amendment (Research and Development) Bill 2001—
First Reading ........................................................................................................ 26120
Second Reading .................................................................................................... 26120

Assent To Laws .................................................................................................... 26121

Alcohol Education and Rehabilitation Account Bill 2001—
Second Reading .................................................................................................... 26121

Space Activities Amendment (Bilateral Agreement) Bill 2001—
Second Reading .................................................................................................... 26124
In Committee ......................................................................................................... 26140
Third Reading ....................................................................................................... 26155

Veterans’ Affairs Legislation Amendment (2001 Budget Measures) Bill 2001—
Second Reading .................................................................................................... 26156
In Committee ......................................................................................................... 26166
Third Reading ....................................................................................................... 26171

Adjournment—
Whistleblowers: Heiner Case ........................................................................ 26172
Parliament House: Child Care ........................................................................ 26173
Roe, Mr Paddy ...................................................................................................... 26175
Upper Spencer Gulf Common Purpose Group .................................................... 26178
Valedictory: John Woodley ............................................................................. 26179
Australian Search and Rescue ........................................................................ 26180

Documents—
Tabling ................................................................................................................. 26182
Indexed Lists of Files .......................................................................................... 26183

Proclamations........................................................................................................ 26183

Questions on Notice—
Agriculture, Fisheries and Forestry Portfolio: Agency Boards—
(Question No. 2156) ........................................................................................... 26184
Department of Health and Aged Care: Programs and Grants to the Bass Electorate—(Question No. 2410) ................................................................. 26187
Department of Health and Aged Care: Programs and Grants to the Kalgoorlie Electorate—(Question No. 2428) ................................................................. 26187
Department of Health and Aged Care: Programs and Grants to the Eden-Monaro Electorate—(Question No. 2446) ................................................................. 26187
Department of Health and Aged Care: Programs and Grants to the Gippsland Electorate—(Question No. 2465) ................................................................. 26188
Department of Health and Aged Care: Programs and Grants to the Richmond Electorate—(Question No. 2997) ................................................................. 26188
Department of Health and Aged Care: Programs and Grants to the