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The DEPUTY PRESIDENT (Senator West) took the chair at 2.00 p.m., and read prayers.

DISTINGUISHED VISITORS
The DEPUTY PRESIDENT—Before we commence question time, I draw the attention of honourable senators to the presence in the President’s gallery of a delegation from the Victorian Legislative Council, led by the President, the Hon. Bruce Chamberlain MLC. Mr President, I am pleased to welcome you to the Senate chamber, particularly after the hospitality you afforded us during the Centenary of Federation commemorative sitting in your chamber in May 2001. I note that the delegation is here to observe question time with the view to proposing that some of the Senate procedures be adopted by the council. On behalf of honourable senators, I have pleasure in welcoming you to the Senate and trust that your visit will be informative and enjoyable.

QUESTIONS WITHOUT NOTICE
Health: Program Funding
Senator CHRIS EVANS (2.01 p.m.)—My question is directed to Senator Patterson, the Minister for Health and Ageing. Can the minister confirm when she first became aware of the deal done by former Minister Michael Wooldridge to pull money out of health programs to fund GP House? Was it not until the Senate estimates hearing on 20 February this year when her department outlined the deal in detail? What action did she take when she first became aware of this misuse of health funds? Did she request a brief from the department? Did she try to reverse the grant? What action did she take to inform the Prime Minister? Why did she sit on her hands until the Prime Minister, under pressure yesterday, was forced to announce an inquiry?

Senator PATTERSON—Despite the fact that I have a reasonable memory, I do not remember the exact date. I have been briefed on a lot of issues since I became health minister. I was aware of the long discussion that took place in estimates and I believed, from the answers in estimates, that that procedure had been undertaken in a way that was on the public record. It had been in the Charter of Budget Honesty that appeared in the papers before the election, despite some of the claims by the Labor Party. The Prime Minister has responded, asking for details, because some of the scurrilous information that was perpetrated by the Labor Party about this was less than helpful, less than useful and less than truthful. Given the information that he has, the Prime Minister has asked for further information and has made a commitment that not one single cent will be redirected away from the programs to which they were first allocated.

Senator CHRIS EVANS—Madam President, I ask a supplementary question. I thank the minister for her answer. It occurs to me to ask why the minister was quoted in the press as saying on the weekend that she waited until Sunday to get advice on this matter when she admits that she had known for at least three or four weeks. Why didn’t the minister seek advice from her department earlier? As she was well aware of the concern about this issue and the debate at estimates, what has the minister been doing for the last three weeks, given that those matters have been before her for that period? Why did she claim on the weekend that she did not get any advice all weekend?

Senator PATTERSON—Unlike people on the other side, I have been working very hard and constructively, not destructively like many on the other side. I thought the answers at the time explained the arrangements which were done in full consultation with the Minister for Finance and Administration. The information that was given during estimates was available and open. It was when the issue was raised—I thought it was breathtakingly wrong in the particular paper on Sunday—that I believed I needed more information and I sought that information.

New Tax System
Senator BRANDIS (2.05 p.m.)—Madam Deputy President, my question is directed to the Minister for Revenue and Assistant Treasurer, Senator Coonan. Will the minister please advise the Senate as to how the Howard government’s new tax system is ensuring
that all Australians pay their fair share of tax? Will the minister outline how the Australian community is sharing in these benefits? Is the minister aware of any alternative policies?

Senator COONAN—I thank Senator Brandis for the question. Senator Brandis has a very keen interest in matters of tax. I can say without fear of contradiction that the cash economy is a problem around the world and Australia is no different from any other country. However, the report of the Australian National Audit Office tabled yesterday—Report No. 35 of 2001-02—Performance Audit—ATO progress in addressing the cash economy: Australian Taxation Office—demonstrated that the most effective development in cracking down on the so-called black economy has been the introduction by the Howard government of the new tax system in July 2000. This, of course, is the same new tax system that the Leader of the Opposition, Mr Simon Crean, had been repeatedly claiming had king-hit the economy. In fact, nothing could be further from the truth. The new tax system has already delivered a range of benefits to the Australian community. These include $12 billion in income tax cuts, ensuring that for average wage earners up to $50,000 the top marginal tax rate they pay is now just 30 per cent. Australian businesses are also sharing the benefits of the lowered company tax rate, from 36 per cent to 30 per cent. Exports are now tax free, delivering an estimated $3.6 billion benefit to Australian farmers, manufacturers and businesses. Unlike the Labor Party, this government believes in lowering taxes and ensuring that all Australians pay their fair share of tax and no more.

The new tax system just keeps on giving. The ATO advises that increased compliance with the new tax system is now estimated to contribute an additional $2.61 billion in income tax over three years between 2001 and 2002-03. This is money that would not otherwise be available to the Australian community if the new tax system had not been introduced.

I can advise the Senate that over 3.7 million businesses and organisations have now registered for an ABN with the tax office. This is up from the original government estimate of 2.1 million businesses that would require an ABN. This is making the tax system fairer for the vast majority of Australian businesses who do the right thing and pay their tax on time. It is not fair that legitimate businesses are undercut or forced to cut their profit margins to compete with businesses operating within the black economy, which are actively evading tax. Thanks to the government’s courage in modernising the tax system, it is now much harder for people in the cash economy to cheat the Australian community out of legitimate tax revenue. The government has done this in the face of concerted and cynical opposition from the Labor Party. Labor will go down in the annals of history as the political party that opposed the biggest crackdown on the black economy and on tax cheats ever undertaken in this country.

This month, Dun and Bradstreet released a survey which demonstrates that an increasing number of business executives are now completely comfortable with the new tax system. In total the survey indicates that some 91 per cent of firms are now extremely comfortable with the new tax system. But support for the new tax system is coming from some other unusual sources. Last week the Premier of Queensland announced an increase in education spending—(Time expired)

Health: Program Funding

Senator MACKAY (2.09 p.m.)—My question is directed to the Minister for Health and Ageing. Is the minister aware of reports in today’s Daily Telegraph that the New South Wales government had lodged several applications for funding under the Medical Specialist Outreach Assistance Program to help provide specialist medical services in underserviced rural areas and that these applications have still not been funded? Isn’t this the precise program that Dr Wooldridge raided to provide a gift to a lobby group to fund the construction of Wooldridge House, as it is now known? How can the minister claim that there was ever an underspend of $4 million in this program when there are important services ready and waiting to be funded?
Senator PATTERSON—There was a roll out going on of that program—

Senator Knowles—Which Labor never did.

Senator PATTERSON—which Labor never did—thank you, Senator Knowles. That program was estimated by the department to have an underspend, because of the applications coming in, and that was the money that was set aside. As the Prime Minister said yesterday, the decision he has made is that that $5 million will be assured; those programs will receive that money. We may have to look at how we are going to deal with that as the roll out comes out. I am discussing with the Minister for Finance and Administration the possibility of rolling it over to the next budgetary year to ensure that we actually can pursue that program.

Senator MACKAY—I have a supplementary question. The New South Wales government has in fact indicated that it had applications in under this program. Given that the minister has now had 24 hours to reflect on her failure to answer yesterday on this matter, can she now explain how former Minister Wooldridge could possibly have known in September—only three months into the financial year, irrespective of applications—that there would be an underspend in asthma and rural health funding? Before he made the decision to skim off millions of dollars, was Dr Wooldridge provided with advice by the department about the waiting list for funding, under the rural health program, of outstanding applications like those in New South Wales?

Senator PATTERSON—I do not believe everything that you on the other side say. When those applications came in, the department estimated that there would be an underspend in that program given the take-up rate. That is the information I have; that is the information I act on. I will go and have a look at when New South Wales applied, but I will not always believe what New South Wales says either, because there have been some things said yesterday about pap smear testing that are actually not true either.

Economy: Debt Management

Senator CRANE (2.12 p.m.)—My question is to the Minister for Finance and Administration. Will the minister advise the Senate how the Howard government policies are reducing the Commonwealth’s debt, of which $80 billion was accumulated by Labor in their last five years in office?

Senator MINCHIN—It is true that one of the big problems we did inherit from the previous Labor government was this $96 billion in accumulated debt. As Senator Crane has pointed out, Labor managed to rack up $80 billion of that in their last five years in office, which is breathtaking. We have repaid $57 billion of that debt in our six years in office. As I pointed out yesterday, we are saving nearly $4 billion every year in interest payments on that debt. Of course, that is money that is now available to spend on health, to spend on education, to spend on Australian families. Our asset sales program is an ongoing priority for this government and the proceeds from our asset sales are being used to pay off more of Labor’s debt and reduce that interest burden on taxpayers, which we have cut from some $8 billion to around $4 billion.

Yesterday the government announced that we will recommence the sale of Sydney airport—a sale process that was deferred in the wake of the events of September 11. The expert advice to the government is that markets have now stabilised, international air travel is rebounding, and we can now recommence that sale—which we will now do. The specific timetable will be determined by our commitment to secure the best possible deal for taxpayers, as we have with all previous asset sales. We will only accept a bid that is sensible and provides a good return to taxpayers.

The recommencement of this sale does follow the successful sale earlier this year of the National Rail Corporation and Freight-Corp, which, I point out, we sold jointly with the Labor state governments of New South Wales and Victoria, and that produced returns to the Australian taxpayers of some $220 million to further reduce the Labor debt burden we inherited. That is a very good outcome. I congratulate the Carr and Bracks
Labor governments on their wisdom in participating in this sale of assets.

Of course, we all know Mr Carr would like to go a lot further and sell the New South Wales electricity assets, if only the trade union movement would let him. In government, the Labor Party does act quite differently to when they are in opposition. They sit there in opposition and stick to their socialist ideology but of course in government they do understand the wisdom of an appropriate asset sales program, as the former Labor government did with its sale of the Commonwealth Bank, Qantas, the Commonwealth Serum Laboratories—even the Commonwealth’s uranium stockpile. They still managed to rack up massive debts in their time in office. They put up taxes, the most infamous of which were in 1993. They sold the assets; they did not use the asset sales to reduce debt, they used them to try to balance the books, and still racked up $80 billion in debt.

I pointed out the sensible, pragmatic approach of the state Labor governments in New South Wales and Victoria, but now we have a puppet Labor government in South Australia and that has adopted the most extraordinary, ideologically driven position of opposing all privatisations per se. I cannot think of another government in the whole wide world that adopts that position—even Fidel Castro believes in some privatisation. But, oh no, not the puppet Labor government of Mr Rann in South Australia. You would think the South Australian Labor Party, of all parties, would know the dangers of owning government business enterprises, having blown $3 billion on the government-owned State Bank of South Australia. We are not driven by ideology; we take a very pragmatic, sensible view of this matter, and if government business assets can be better managed in the private sector and be used to repay some of Labor’s debt, then we will undertake such a course of asset sales. (Time expired)

Health: Program Funding

Senator CROWLEY (2.17 p.m.)—My question is to Senator Patterson, Minister for Health and Ageing. Is the minister aware that the Royal Australian College of General Practitioners stated, in a press release circulated by email yesterday by her colleague Senator Eggleston:

The construction of a GP House in the Parliamentary Precinct is a commercial venture for the RACGP.

Can the minister explain on what basis her department recommended to her predecessor that $5 million be plundered from programs to counter asthma and encourage medical services in the bush, in order to support a commercial venture?

Senator PATTERSON—I know that Senator Crowley was not at the estimates hearing—we had two hours on this.

Senator Knowles—Yes, she was.

Senator PATTERSON—She was there, was she? She made such a major contribution that I did not notice she was there. If Senator Crowley was there, she did not make much of a contribution. There are details there about that. I say to Senator Crowley, if she feels so concerned about this, that she should go and speak to Mr Smith, who wants to have an Auditor-General’s inquiry into it, and say that while the Auditor-General is inquiring into that he inquire into how it is that his department is renting, from the Liberal Party in Centenary House, property for $36 million over 15 years—enough to fund each federal election for $7 million. Senator Crowley, if you are very concerned about programs, go out, get your Leader of the Opposition to phone the Auditor-General and change the rent. That is what you can do.

Senator CROWLEY—Madam President, I ask a supplementary question. I hope Minister Patterson understands that abuse is no substitute for substance. Can the minister confirm that, according to a clarification received by the community affairs estimates committee yesterday, which I was present at, from the Department of Health, the RACGP will be occupying only 200 square metres of the 2,121 square metres on the fourth floor of the building—in other words, less than 10 per cent of the one floor? What percentage of the rest of the floor space in the building will be let on a commercial basis?

Senator PATTERSON—I do not know how many square metres of the place will be
The important thing is that the contract says—

*Senator Chris Evans interjecting—*

**Senator Patterson**—Senator Evans just said 500 whatever for so many square metres. Go back and find out how much the taxpayer is paying per square metre for renting the Attorney-General’s part of Centenary House which is owned by the ALP.

*Senator Sherry—*The Audit Office, not the Attorney-General’s office.

**Senator Patterson**—The Audit Office is renting at Centenary House. Irrespective of what it is; it is public money going into the coffers of the Labor Party. The Labor Party would have people believe that the RACGP has this $5 million; it does not. The Prime Minister indicated yesterday that he did not rule out withdrawing the Commonwealth’s offer to the RACGP, and that is a possibility. He has asked for a report; he may withdraw that money. The money has not gone to the RACGP. That needs to be made very clear. The Prime Minister has said that every penny that was destined for those programs will be spent on them. *(Time expired)*

**Immigration: ‘Children Overboard’ Affair**

*Senator Stott Despoja (2.21 p.m.)—*My question is to the minister representing the Prime Minister. Does the minister recall that the Prime Minister originally repeatedly reassured the public that he wanted to ascertain the truth about the ‘children overboard’ issue? In particular, does he recall that on 15 February the Prime Minister told Melbourne radio:

If people appear before the inquiry they tell the truth and as far as I am concerned I have nothing to fear in relation to the truth on this matter. I don’t have anything to hide.

If the government has nothing to hide, why has it taken the provocative and pre-emptive action of gagging three key witnesses?

**Senator Hill**—The government certainly has nothing to hide on this particular issue. However, we do believe it is possible to learn lessons from this experience. As Senator Stott Despoja will know, the government was, unfortunately, misled on this particular matter. The government was informed that in this incident children were thrown overboard when it now seems the case that this did not in fact occur. The government is interested in ensuring that the lines of communication in the future are better, and that seems very reasonable. To illustrate the Prime Minister’s good faith in this matter he required of his department an inquiry into the whole event and then, of course, made the results of that inquiry public. That was assisted—

*Senator Conroy interjecting—*

**The Deputy President**—Order! Senator Conroy, would you please come to order! Senator Conroy, you have been interjecting all afternoon. I ask you to cease, please.

**Senator Hill**—by an inquiry conducted within the Department of Defence. The results of that inquiry were also released publicly. The government has also facilitated the Senate through being open and frank before its estimates committee. The government will also cooperate with the Senate committee notwithstanding the government believes it is simply a political hatchet job connived between the Australian Democrats and the ALP to achieve a political outcome that they might as well state before the outset.

Notwithstanding that, public servants will appear before the Senate committee. Military personnel will appear before the Senate committee. What the government is not prepared to do, however, is to allow those who are employed as staff members within ministers’ offices, either present or in the past, to appear because that has never been seen as appropriate except in one exceptional case where the ALP abused that safeguard by putting a person into a job running an agency and disbursing public funding. But it has been accepted on both sides of the chamber—reiterated by Senator Faulkner, I might say, during the recent estimates committee—that it is inappropriate for staff members employed under the MOPS Act to be subject to the same level of scrutiny as others. The reason is obvious. If the Senate is entitled to pry within the internal operations of a minister’s office, that office will simply not be able to function effectively. Most senators understand the
basis of that safeguard, and all the government has said in this instance is that it wants to preserve that safeguard in the interests of effective government in the future.

So it has nothing to do with hiding anything. We actually believe—and we certainly hope—that all the facts are on the table in this particular matter. The government has taken steps through the Department of Defence to ensure that mistakes of this type do not recur. We want, as I said at the outset, to ensure that lessons are learned from this experience, and that is our approach to the matter.

Senator STOTT DESPOJA—Madam Deputy President, I ask a supplementary question. I thank the minister for his answer. Given the minister’s aim to learn from this issue and to have an open and frank communication system, does he really and honestly believe that the key go-betweens, the three middlemen at the centre of this saga, should not be allowed to give evidence? Wouldn’t it be the case in the interests of natural justice that those three key individuals—that is, the Prime Minister’s international adviser, the former defence minister’s media adviser, and his military adviser—be allowed to give evidence given that they know the facts of the matter? Do you honestly believe they should be prevented from telling their side of the story, that is, if your government honestly believes it has nothing to hide?

Senator HILL—The government is less interested in a witch-hunt and more interested in good governance. We have already acknowledged that there are lessons to be learned from this experience. We have already learned lessons and are requiring reform of the communication system within the Department of Defence between Defence and the minister’s office and the like. Out of this, we will be more confident that incorrect information will not in the future be passed down the chain or up the chain of command and then across to ministers’ offices and then to the public. That is what we are interested in in this matter. If the Senate committee, in some way, can further contribute to that, that is well and good. But unfortunately, we all know that is not what the Senate committee is about. This Senate committee is just about a political outcome already written in advance.

Economy: Debt Management

Senator CONROY (2.28 p.m.)—My question is to Senator Minchin, the Minister for Finance and Administration and Minister representing the Treasurer. Is the minister aware of the Treasurer’s claim on 4 March this year that he ‘ended the policy’ of transferring government liabilities into US dollars? Will the minister now admit that, although new foreign currency swaps contracts were ended in April 2000, the Commonwealth has continued to gamble in foreign currencies through an alternative type of foreign currency derivative called forward foreign exchange contracts? Isn’t it the case that the Treasurer has simply been substituting one type of currency derivative for another?

Senator MINCHIN—The Treasurer has made it perfectly clear that we did end this policy of the Labor Party’s to enter into currency swaps. The matter was brought to his attention towards the end of 2000 and formally ended on 6 September 2001. Of course, there have been no currency swaps entered into since February 1999, some three years ago. As to your question in relation to forward exchange contracts, I will seek some advice from the Treasurer and come back to you.

Senator CONROY—Madam Deputy President, I ask a supplementary question. In light of the Treasurer’s claim in his press conference that he has ended the policy of swapping government debt into US dollars, will the minister now admit that even if no further contracts are entered into Australian taxpayers will remain vulnerable to gyrations in foreign exchange markets until the last cross-currency swap matures in 2008?

Senator MINCHIN—The great tragedy for Australian taxpayers is that the Labor Party exposed them to $80 billion extra in debt as a result of their last five years in office, costing us $8 billion a year in interest payments when we came into government. We are saving taxpayers $4 billion a year in reduced interest payments.

Honourable senators interjecting—
The DEPUTY PRESIDENT—Order! Senator Murphy has the call.

Senator Brown—Madam Deputy President, on a point of order—

Honourable senators interjecting—

The DEPUTY PRESIDENT—Order! Until there is silence I am unable to hear Senator Brown’s point of order.

Senator Brown—It is routine for me to have the question on Tuesday. I presume the chair has changed the date to some other day for me to ask a question and, if so, I ask you what that date will be?

Honourable senators interjecting—

The DEPUTY PRESIDENT—Order! I would like to hear all of the point of order.

Senator Brown—The point of order is that the chair well knows that on Tuesday I ask a question on behalf of the Australian Greens. There has been no notification to me of a change of that arrangement. I ask the chair: what has happened to cause the chair to call a different senator to give the question at this time which is allocated to the Australian Greens?

The DEPUTY PRESIDENT—There are now four Independent and single-party members and, since the parliament has resumed, we are now on the fourth question time. This will mean that today Senator Murphy gets a question and therefore all four will have had a question in the four days. As I understand it, it is going to work like that. If you have some concerns about it, I will raise it with Madam President when she returns.

Senator Brown—Just on a further explanation—

Honourable senators interjecting—

The DEPUTY PRESIDENT—Order! Senator Murphy, you have the call.

Senator Brown—Madam Deputy President, if you are not in a position to tell the Australian Greens when they have a question, who is? You are, and I require to be informed so that I can ask a question in proper and judicious time. I would expect that answer after question time if you cannot give it now, but that is fair enough—

The DEPUTY PRESIDENT—You will be advised in due time, Senator. Senator Murphy has the call.

Taxation: Mass Marketed Schemes

Senator MURPHY (2.35 p.m.)—It might be a hard act to follow, but my question is—

The DEPUTY PRESIDENT—Order! Would you like to be able to hear it, Senator Murphy?

Senator MURPHY—My question is to the Assistant Treasurer and Minister for Revenue, Senator Coonan. The minister would be aware of the Australian Taxation Office’s response on 14 February to the Senate Economics References Committee’s second report into mass marketed tax effective
schemes. In that report the committee unanimously recommended that the ATO undertake a commercial viability test of schemes in assessing the settlement proposal for a large number of investors involved. However, the Commissioner of Taxation has rejected this unanimous recommendation, despite the Taxation Office being consulted on the matter. Can the minister inform the Senate if the government agrees with the commissioner’s view and, if so, why?

Senator COONAN—Thank you, Senator Murphy. The mass marketed schemes of course have been a very difficult matter for many people. I acknowledge that the Senate committee—indeed, I think times three—has given very serious consideration to this matter and made a number of recommendations. I think, Senator Murphy, in the last report you were in the minority. In any event, the commissioner’s offer is open to about 40,000 investors in mass marketed schemes. The terms are very generous. They include a tax deduction for the actual amount of cash outlaid, a full remission of penalty and interest, and a two-year interest free period in which to pay the scheme debt.

Investors should consider this matter very carefully and take proper advice. It is part of a broader strategy to end the problems, as I have mentioned, with the mass marketed schemes. It follows a number of other initiatives that the commissioner has put in place, such as the funding of test cases and a moratorium on recovery action for those who have objected against their assessments until after the test cases have been decided.

It is necessary to strike a balance between fairness to the community by protecting the revenue base, which is of course very important, and fairness to investors who are caught up in these arrangements by aggressive marketing and unscrupulous promoters. The government is therefore considering a tough new crackdown on promoters of tax avoidance schemes and is in the process of developing a proposal for greater sanctions. I expect that there will be broad public consultation on the proposal prior to the development of these amendments, but I certainly have been advised that the commissioner has not been idle under the existing law. He has advised me that he has about 150 promoters already under scrutiny. Senator Murphy, it has been a difficult matter but the offer that was made—

Senator Murphy—Madam Deputy President, I raise a point of order. I do not like making a practice of taking points of order in regard to questions I have asked, but I have been listening to the minister now for about 3½ minutes. My question to the minister related to whether or not the government agrees with the commissioner’s view about the commercial viability test. I would appreciate an answer to that question. Madam Deputy President, I would like you to draw the minister’s attention to the question I actually asked.

The DEPUTY PRESIDENT—I think the minister has heard your point of order and the question. Senator Coonan, do you have anything further to add?

Senator COONAN—I have finished my answer.

Senator MURPHY—I ask a supplementary question, Madam Deputy President, and it is based on the fact that the minister did not answer the question. Minister, if you cannot answer either the question or the supplementary question, could you take the matter on notice and provide an answer. My question is simply this: if the government does agree with the commissioner’s action taken in respect of the unanimous committee report, how does the government view the Taxation Office issuing product rulings, especially in regard to the forest plantation sector where a very large percentage, as much as 70 per cent, of the funds outlaid by investors does not find its way into productive activity?

Senator COONAN—I have elaborated fully on Senator Murphy’s question in my previous answer. Following the committee’s
recommendation, the offer has been made, and that was the answer that I gave earlier; you know as well as I do what the answer to it is. The situation outlined in your supplementary question with respect to the forestry plantation scheme does not arise.

**Defence: Portfolio Budget Bid**

Senator HOGG (2.41 p.m.)—My question is directed to the Minister for Defence. Can the minister confirm that portfolio budget bids were due to be lodged some six weeks ago? Can the minister also confirm that the Defence portfolio has still not lodged its bid for budget funding, with the ERC due to meet in the next 24 hours? What explanation is there for such a delay in the budget bid for Defence? Won’t this delay inevitably reduce Defence’s ability to secure the funding it needs? Doesn’t the additional budget statement show that appropriations for Defence outputs are to be cut by $285 million in 2002-03 and 2003-04?

Senator HILL—I am flattered by the interest of the honourable senator in the internal workings of government. It is the government’s business to put together its budget and as part of that process portfolios will make bids. They will do it to the timetable principally determined by the Prime Minister, and the Department of Defence will do that.

Senator Carr—Why are they six weeks late?

Senator HILL—Unfortunately, I have to inform the honourable senator that he is factually incorrect, but that is really irrelevant because it is none of his business in any event.

The DEPUTY PRESIDENT—Would you like to address the chair, Senator Hill.

Senator HILL—I am sorry, Madam Deputy President. I was provoked.

Senator Carr interjecting—

The DEPUTY PRESIDENT—Senator Carr will remain silent.

Senator HILL—In relation to the Defence budget, the department is engaged in almost unprecedented levels of operations at the moment, at a significant cost. We were pleased to receive additional funding through the additional estimates processes which has helped to cover those costs over the past year. We are expecting operations to continue at an enhanced level during the course of the next year and that will be required to be funded as well. This government will meet that funding responsibility because it knows that its contribution to the war against terrorism has got to be properly funded. In addition to that, this government is investing at an unprecedented level in future capability. We are doing that through the guidance that was set down under the white paper—an extra $500 million for this financial year and an extra $1 billion for the next financial year. So not only are we providing more funding to ensure the long-term capability of the ADF but also we are providing the additional funding to enable us to operate at this enhanced level.

The bottom line of all that is that the honourable senator should rest easy. This government accepts a responsibility for defending this country and meeting the cost of doing so. And through this budget process it will continue with its excellent record in that regard.

Senator HOGG—Madam President, I ask a supplementary question. Can the minister explain how the Treasurer, during the recent election campaign, repeatedly stated that the deployment to Afghanistan would not add to the budget for the current year? Can the minister confirm that the additional budget statement provided to parliament two weeks ago has the cost for this deployment in the current year at $320 million? When was the government told about the real costs of this deployment, and was the Treasurer or his office aware of this information during the campaign?

Senator HILL—What I can tell the honourable senator is what is on the public record, and that is that additional funding was provided to the government to help meet not only the cost of increased operations that I have mentioned but also the increased costs in relation to domestic security, the increased costs in relation to doubling our counter-terrorism capability, the increased costs associated with protecting our borders—all of these extra commitments that the govern-
ment has expected of the ADF since the previous budget. This government funded the ADF according to its projections at that time. The purpose of the additional estimates is to ensure that any shortfalls are adequately covered, and this government has more than fairly met that responsibility.

**Australian Defence Force: War Against Terrorism**

Senator LIGHTFOOT (2.46 p.m.)—My question is also directed to the Minister for Defence and the Leader of the Government in the Senate, Senator Hill. I ask if the minister could update the Senate on the involvement of the Australian Defence Force in the war against terrorism?

Senator HILL—Yes, it does seem appropriate, six months after the horrific terrorist attacks in the United States, to update the Senate on the very significant contribution that Australia is playing as one member of the coalition in the war against terrorism. Australia has, as I indicated in answer to the previous question, made a significant contribution in terms of enhancing domestic security but also in combating the threat offshore. I mentioned, in relation to defending Australia, the increased investment in security and the development of doubling our counter-terrorism capability. We have also invested more in intelligence, because one of the lessons of these horrific events is that all democratic nation states need a better understanding of the extent of these terrorist networks and how they operate.

Having said that, we have also recognised that it has been necessary to combat this scourge offshore, overseas, and we have made a very significant contribution as part of the coalition. About 1,500 Australian troops have been involved. Our special forces are operating in Afghanistan and have operated with great courage and great distinction. The recent reports of their successes in Operation Anaconda are just an example of that.

Our Navy continues to operate in the Gulf, where we have presently the frigate HMAS Newcastle and the amphibious command ship HMAS Manoora actively involved in maritime interception operations. They will be joined in the near future by HMAS Canberra. HMAS Adelaide returns home to Australia after a most successful mission in the Gulf—it gets home tomorrow.

An RAAF detachment of FA18 fighter aircraft has been deployed and operating over coalition forces out of Diego Garcia. It is now, I believe, in its second rotation and also performing with great distinction. A senior RAAF officer is in Manas, Kyrgyzstan, where he has taken up the position of air operations commander at the coalition base. He is responsible for ensuring that coalition fighter, tanker, transport and combat search and rescue aircraft meet their tasking requirements. The government is expecting to deploy two B707 air-to-air refuelling aircraft also to the zone in the near future.

These add up to a very significant contribution by our Defence Force which complements, of course, all of our other efforts, whether they be diplomatic, humanitarian or law enforcement, because the challenge to defeat terrorism is not simply going to be one through armed force alone. But, having said that, I particularly want to emphasise the contribution of the ADF. I want to make specific reference to their professionalism, to their determination and to their courage. They have also already suffered significant sacrifice, in the death of Sergeant Andrew Russell and one serious injury. His death we mourn in conjunction with the deaths of other coalition soldiers such as those from the United States who have lost their lives recently in Afghanistan. It is a reminder to all of us of the sacrifice that our armed forces are prepared to accept as part of a responsibility to keep us safe, and we should never forget that. (Time expired)

**Centrelink: Breaches**

Senator MARK BISHOP (2.50 p.m.)—My question is to Senator Vanstone, the Minister for Family and Community Services. I refer to the minister’s press statement of Monday 11 March which claims the government has implemented or will implement 26 of the 36 recommendations contained in the Pearce report into breaching. In the interests of accountability, will the minister publicly release the Centrelink report to allow a
comparison with the Pearce report? Can the minister provide a time line for the implementation of the 26 findings she does agree with?

Senator VANSTONE—I thank the senator for his question. Senator, unless there has been a mistake in my release, it is not the case that there are 26 recommendations that the government agrees with; it is that there are 26 that fall mostly within my portfolio. And most of these either have been implemented in the sense that they are already current practice and have been for a long time, already current practice because they have been introduced over the last six months, or are about to become practice because we have accepted the notion that the change needs to occur and there is some sort of time lag in the implementation period.

As I recall, it was 26 that affected my portfolio; not all of which, however, we agreed with. Someone may have added it up to be 26. I do not know that it is terribly useful in any event. If I can explain why: a number of the recommendations had three parts. For example, I think recommendation 1 had three parts. Taking a recommendation that does have three parts, we might have agreed with parts 1 and 2 but not with No. 3. That is just a little arithmetical exercise that is not terribly useful. The substantive answer is that we agree with a very significant proportion of the recommendations in substance—there might be some disagreements at the edge—and, of those recommendations that we agree with, they are already in place and have been for a long time, were put in place over the last year as Centrelink, the department and I worked on what we could do for vulnerable people, as we indicated in here that we would or, as a consequence of the Centrelink review, are in the process of being implemented but we are not yet able to say that we have fully done that. There are some that we disagree with.

As for the Centrelink report, yes, I will look at releasing that—I will come back to you—and you will be able to make a comparison. I will conclude by highlighting a point that I made to you, Senator, yesterday because I have subsequently seen some remarks of Professor Pearce’s suggesting that the announcements made by the government a week or so ago were borrowed recommendations from his draft report. I do understand from Professor Pearce’s point of view—everybody here would understand—that sometimes you get so close to an issue that you forget that other people might be heading down the same path. And I repeat what I indicated the other day: the process of getting approval for the package that I announced about 10 days ago now was a process that was started before Christmas last year and the package that was announced was the same package—in other words, it was not altered in any policy content over that time. Professor Pearce might like to think that he is the only source of insight into this issue, he might like to think that he and the people who paid for the report are the only ones that are interested; but the plain facts are that this government gave a commitment very early on when I took this job to look at what we could do to help the vulnerable. We have done that, and either we have implemented the changes or they are on the way. There are, however, some that we disagree with.

Senator MARK BISHOP—Madam Deputy President, I ask a supplementary question. I again refer to the press statement of the Minister for Family and Community Services from Monday, 11 March 2002 in which she says that she will not implement recommendation 22.3 of the Pearce report dealing with the imposition of breaches. Does the minister consider that her refusal to endorse a system that breaches an individual only after a prima facie case of noncompliance has been established justifies the description of her policy as ‘Shoot first, ask questions later’?

Senator VANSTONE—Senator, that question almost does not deserve an answer.

Senator Carr—Try anyway. Go on, answer the question.

The DEPUTY PRESIDENT—Order! Senator Carr.

Senator VANSTONE—I thank Senator Carr for his terribly helpful interjections. They are so helpful! I am going to have to send him a Kit Kat or something, because he just cannot wait to get himself on the record
by intervening. Senator, I am happy to have a discussion with you about any of the recommendations that we reject.

The DEPUTY PRESIDENT—Senator Vanstone, address the chair please.

Senator VANSTONE—I am of the view that people who get breached under the system that we have announced will start from 1 July will be breached only if they did not show up as a requirement and subsequently did not have a reasonable excuse. I repeat what I said the other day: taxpayers look at the dole as being paid to get a job, and just as you have to show up for a job on time otherwise you might get the sack so you have to show up for your appointments.

Environment: Great Barrier Reef Marine Park Authority

Senator BARTLETT (2.56 p.m.)—My question is to the Minister representing the Minister for the Environment and Heritage. Can the minister confirm that a policy has been introduced by the new Minister for the Environment and Heritage, Dr Kemp, requiring any requests by parliamentarians for meetings with officials from the Great Barrier Reef Marine Park Authority to be directed through the minister’s office? Is it also the case that the minister requires one of his own advisers to sit in on meetings between parliamentarians and marine park authority officials? Can the minister indicate why this new approach has been introduced and why it is appropriate that an independent statutory authority has to require ministerial approval before it is allowed to meet with parliamentarians?

Senator HILL—It is courtesy as well as good practice for parliamentarians seeking information from officials, whether they be from an independent statutory authority or whether they be from the Public Service, to seek that permission through the minister that has responsibility for the body within his or her portfolio. I am surprised that Senator Bartlett would find that so exceptional that it would justify a question in this place. In my experience, ministers have had differing practices in relation to whether they are prepared to provide that access with or without the presence of one of their staff. When I look across the chamber, I can see former ministers there who used to agree that I should do so without any supervision. I can think of other ministers who demanded supervision by one of their staff. So whichever policy is adopted by Dr Kemp in this regard should not be regarded as unusual.

I regret that the Australian Democrats do not seem to have a lot of substance to pursue in this place at the moment. However, I can tell them that from my observation—and I have some bias in this matter—I believe Dr Kemp is doing an excellent job as environment minister, continuing the pretty fair work of his predecessor. I wish him well, because I am the first to concede that there is a great deal that needs to be done. This is a government that is prepared to tackle the big challenges in relation to sustainable development and environmental protection. I know that the portfolio is in good hands with Dr Kemp.

Senator BARTLETT—Madam Deputy President, I ask a supplementary question. If the practice that Dr Kemp has adopted is such good standard practice, as the minister said, could he please indicate why he did not utilise it during his time as environment minister? Could he also indicate what other independent statutory agencies are also required to seek ministerial approval before they can brief parliamentarians? Could he also indicate if ministerial staff advisers are required to sit in on meetings relating to the operation of organisations such as the marine park authority? Are those ministerial staff members able to be called before estimates committees to answer questions about the conduct of their work?

Senator HILL—I think it is a bad day for the Australian Democrats today. I have already put the argument as to why it is inappropriate for ministers’ staff to be subjected to the same sort of scrutiny as those responsible for administering the public purse. It is a different role, it is a different level of scrutiny and responsibility, and there are good reasons for it. I think that would answer the last part of the question; I am just being repetitive. In relation to the first part, I have already said that it is at the discretion of ministers, and different ministers have dif-
ferent views. It might simply mean that I knew honourable senators better than Dr Kemp and therefore I might have had greater confidence in their objectivity and knew that they would not misrepresent what his official might say. Whatever it is, either methodology is equally valid, and I would invite the Democrats in the future to bring some questions of substance to this chamber. Madam President, I ask that further questions be placed on the Notice Paper.

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS

Health: Program Funding

Senator PATTERSON (Victoria—Minister for Health and Ageing) (3.01 p.m.)—I have some more information for Senator Mackay. I am advised by the department that no money has been diverted away from New South Wales, or any other state, with regard to the Medical Specialist Outreach Assistance Program. There has been no deliberate slowing down of action under the program by the department or by the organisations developing the proposals. In New South Wales, progress has been steady. The New South Wales Rural Doctors Network is responsible for arranging private specialist outreach services. They are working to an agreed timetable and are well on track. Specialist services in public hospitals are being funded via the state health departments. We have a consultative process to work out where the gaps are and how best to fill them.

Following community consultation, the New South Wales Rural Doctors Network or the state government department submits proposals to the Commonwealth. These are then considered by the state based advisory committee, which advises on the appropriateness of the submission and the extent to which it meets the needs. This is an important process but, as you can well understand, it takes time. At times the proposals fall short of fitting the program guidelines, and these have been returned to the responsible body for further development. The goal is to support a series of services that benefit the community.

I remind honourable senators that a specialist outreach assistance program did not exist under the former government. I am aware of the reported statements by Minister Craig Knowles regarding deliberate Commonwealth delays, and I refute these completely. This program aims to achieve the best outcomes for rural communities. It is my view that this activity should respond to community priorities, which may not necessarily be those of the state government. New South Wales have sought to use the recent and generous injections of Commonwealth funding for rural services to allow them to take money out of rural areas. Indeed, we are having a protracted battle with them to accept that new Commonwealth funds must result in new services. We cannot have a situation where Commonwealth funds come in the front door only to have state funds disappear out the back door.

Some project proposals, including those from New South Wales Health, require clarification and amendment to make sure there is no duplication or overlap of existing services. We cannot fund project plans that are unfinished or underdeveloped. The groundwork has now been set for continued expansion of the Medical Specialist Outreach Assistance Program across Australia. At this point, new services are operating in South Australia, Tasmania, New South Wales and the Northern Territory, with service plans in other states approved or in the final stages of development. This means that rural Australians are now receiving a specialist medical service that they were not receiving previously and were not receiving under the Labor government.

Roads: Funding

Senator IAN MACDONALD (Queensland—Minister for Forestry and Conservation) (3.04 p.m.)—Yesterday, Senator Harris asked me a question about the Mount Morgan Shire Council and the Roads to Recovery program money. I referred the matter to Mr Anderson’s office, and I have been told that, as I suspected, there is not a cap of $130,000 or 50 per cent in any one year. The program is a four-year program. Under normal events, one quarter of it would be allowed each year. I am told that the reason why there is no allocation for the third year, the year 2003, is that the time for putting
forward submissions for that year has not yet arrived and so there have been no allocations made. Certainly any part of the legislated allocation of $262,000 for the Mount Morgan council, which is unpaid at the end of the program, will be paid at the end of the program. I do say to Senator Harris and to the Mount Morgan council that if they contact Mr Anderson’s office I am very certain that they will be able to work through the issue with the transport minister’s office and come to a conclusion that satisfactorily meets the needs and wishes of the Mount Morgan council.

**Senator HARRIS (Queensland)** (3.05 p.m.)—I thank the minister for his answer to that question.

**QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS**

**Economy: Debt Management**

**Senator CONROY (Victoria)** (3.06 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Finance and Administration (Senator Minchin) to a question without notice asked by Senator Conroy today relating to debt management and currency swaps.

Over the last five years, it has come out that the government has lost almost $5 billion through speculating on US dollars versus Australian dollars. The original rationale for this strategy that was introduced by Treasury and the Labor government in 1987 was that there was a favourable interest rate differential between Australia and the US, which meant cost savings could be achieved. If you look at the chart released by Senator Coonan, it shows that in the years 1987 to 1996 the Labor government presided over $2½ billion in profit in this scheme. Then, when you look at what happened to interest rates on the international markets, you see that by 1997 the interest differential between Australia and the United States had fallen to virtually zero. In other words, the entire rationale for borrowing in US dollars was gone.

What did the Treasurer do? Nothing. What are the consequences of the Treasurer’s inaction? Five billion dollars’ worth of losses. That is what we have seen. When Labor managed the policy, there was $2.5 billion of profit; when Peter Costello managed the policy, there was $5 billion worth of losses. How does the Treasurer try to weasel out of it today? He keeps trying to say, ‘I knew nothing about it.’ He did nothing in 1997-98 when Treasury lost $2.1 billion. He did nothing in 1999-2000 when they lost another $1.1 billion. He did nothing in 2000-01 when they lost another couple of billion dollars. That is what has been happening.

**Senator HILL**—Did you say it was a dud policy? You introduced it.

**Senator CONROY**—It is a dud policy if you ignore what has happened. It is a dud policy if you ignore the change in economic circumstances.

The **ACTING DEPUTY PRESIDENT (Senator Knowles)**—Senator Conroy, please address your comments to the chair.

**Senator CONROY**—If Senator Hill knew anything about this area, he would understand that what has happened is that, as Simon Crean has said, Peter Costello fell asleep at the roulette wheel. Interest rates closed down six or seven points Australia-US. What does the government do? What does Peter Costello do? He endorses the policy in 1997, he endorses the policy in 1998 and he endorses the policy in 1999. How did he endorse the policy without anyone mentioning they had lost $2 billion in 1997 and $1 billion in 1999? Yet he still kept giving it the big tick. This is a bloke who was not just asleep at the wheel, he was asleep at the roulette wheel. What he is trying to say is that during all of this, despite providing ministerial endorsements of the annual strategy, despite the disappearance of the interest rate differential, despite the collapse in the currency in 1997 and despite the fact that there had been eight policy reviews between 1996 and 1999—that is two reviews a year—he did nothing.

By mid-2000 even the Reserve Bank had noticed that the Treasury and the Treasurer’s policy were causing a problem. The Reserve Bank governor was so aghast at what the Treasury was up to that he was compelled to intervene in the management of government debt. As Terry McCrann said this morning, this is quite extraordinary. The Treasurer’s
defence is that he relied on the Treasury who gave him advice from external advisers. But did he follow the advice? In 1998, UBS recommended a fundamental change to the strategy for managing the government debt and, if followed, it would have cut the exposure to foreign currencies and substantially reduced the losses. Treasurer, if you were aware of the mounting cost of this policy, why didn’t you act? Treasurer, if you were not aware, why weren’t you? As the supposed guardian of taxpayers’ money, what else were—and are—you not aware of?

(Time expired)

Senator MASON (Queensland) (3.11 p.m.)—This is an issue about debt management.

Senator Sherry interjecting—

Senator MASON—There are two approaches to debt management in this country: one of them is the Labor Party’s approach to debt management, Senator Sherry; and the other one is the Liberal Party’s approach to debt management. Senator Conroy is quite right that the Labor Party instigated the notion of currency buybacks. It is true that the Treasurer adopted that approach for quite some time. He has now rejected that approach and the policy has been changed. There was foreign currency exposure in this nation, and other Western nations adopted a similar approach—Canada did, I think the Italians did and the Danish did. The issue today in this country—

Senator Ludwig—Is the four years it took him!

Senator MASON—Senator Ludwig, the issue today is the capacity of this government, as compared to the former government, to control debt. On that issue, you do not have any credibility at all. The $80 billion debt that you rolled up over the last five years that you were in government was some of the most pathetic economic management that this country has ever seen. Do you know how much it cost? Just the interest on the money the Labor government borrowed to pay back their debt was about $8 billion a year. That is right: the interest it cost was about $8 billion a year. Because the Howard government has paid back so much debt, we now save $4 billion a year on that alone.

Senator Sherry—And you have lost five.

Senator MASON—Senator Sherry, you may want to compare the Labor government’s approach with this government’s approach to debt management, but there is no comparison. More generally, let me put it this way: the economic news in this country today in 2002 is that our economy is growing at about 4.1 per cent per annum. That is 10 times the average growth of other developed countries throughout the world.

Senator Cook—Thanks to the Labor Party’s reform. You are living off the back of what we did.

Senator MASON—Senator Cook interrupts. This is the best economic news that this nation has ever had. We had to survive, for the first time ever, a recession in the United States of America, and we have prospered. Let me say that again: the United States went into recession, Japan went into recession, East Asia went into recession—and this country recorded the highest growth rates in the Western world.

Those opposite cannot compare their appalling economic management in the last five or six years of the Keating and the Hawke governments with the performance of this government. And that is the problem. There is silence all of a sudden over the other side because, in any objective comparison between the Howard government and the governments of Hawke and Keating, there is no comparison. This government has produced an economy that has effectively fireproofed it from the rest of the world, irrespective of economic downturns in Asia, the United States and Western Europe, making these the most fantastic economic figures in a generation. That is what the Labor Party hates: 4.1 per cent growth; 10 times the growth of all the other countries in the developed world. That lot opposite cannot compete with that.

Senator SHERRY (Tasmania) (3.16 p.m.)—Senator Mason was right in his central contention when he said that the issue is the Labor Party’s management of debt versus the Liberal Party’s management of debt. He
was right when he said that there was no comparison. From the time this policy began in 1987 under a Labor government until the Labor government was defeated in 1996, the Labor Party and the treasurers during that period of time presided over a profit of just over $2 billion. Since 1997, under the current Treasurer—and there has been only one: Mr Costello—there has been a loss of almost $5 billion. So under Labor there was a profit of just over $2 billion in 10 years and under the current Treasurer, Mr Costello—and no-one would doubt that the Treasurer of this country has been anyone but Mr Costello since March 1996—there has been a loss of almost $5 billion.

What is Mr Costello’s excuse for this appalling management of Australia’s currency and debt? He basically has two excuses. The first is that he did not know. That has been a very common defence from this government in recent times—that it does not know anything that has been going on in terms of the public sector. Mr Costello says that he did not know; that he was first advised of these losses on 9 November 2000. The Treasurer, Mr Costello, claims that he first came to know about these huge losses of billions of dollars on 9 November 2000. I do not know whether the Treasurer bothers to read the reports from his own department, but the Treasury department started to refer to losses in its various reports back in 1997-98. That is when Treasury first started reporting the losses. Yet the Treasurer claims that he did not know about it until 9 November 2000—over two years later. It defies belief that the current Treasurer does not read his own department’s reports, commencing in 1997-98, which reported that these losses were occurring. He has been at fault. He has adopted the wrong policy. And unfortunately the taxpayers will suffer to the tune of $5 billion over the next eight years. We will be paying for this massive mismanagement of $5 billion for the next eight years.

Senator WATSON (Tasmania) (3.21 p.m.)—For those listening to the debate, I think it might be useful to explain what we are talking about. We are talking about what is known as a ‘swaps program’ which is undertaken by Treasury. That program involves the swapping of one set of liabilities for another. Unfortunately, in this debate this afternoon, there have been a number of errors perpetuated by speakers from the Australian Labor Party. During questioning at estimates, this system of adding losses year by year was refuted by representatives from the Australian Treasury. Despite that tap on the knuckles, the speakers this afternoon have continued to perpetuate that error. The losses from year to year are unrealised losses reported. We do not add those losses because they rec-
recognise the value of the exchange rate and interest rates prevailing at a point in time.

Back in 1992 I queried this program at the estimates and raised this issue with none other than Senator McMullan. Unfortunately, Senator McMullan was unable to answer my question and he flicked it off to a Treasury representative. I was concerned about a government entering into a swaps type program which was really not the province of government at the time. As other commentators are now saying, it is best left to the private sector. What was done in 1992 was not the sort of swaps or derivative type programs that we see operating nowadays.

Senator Conroy—Madam Acting Deputy President, I raise a point of order. Unfortunately Senator Watson has misled the chamber and I ask him to withdraw. The Senate estimates record was corrected by Dr Parkinson, who admits that the figures are not cumulative and are in fact able to be added. That is a very serious misleading of the Senate.

The ACTING DEPUTY PRESIDENT (Senator Knowles)—That is a debating point, not an issue of a point of order.

Senator Watson—I refuse to withdraw, because the losses in relation to a swaps program are in a sense not losses until they are realised in a budgetary sense. You cannot go from year to year and say that the losses in years 1, 2 and 3 are essentially, say, $1 billion plus $2.5 billion plus $3 billion. They might be $4 billion compared with year 1 when it commenced to year 2 when it is going to be realised. What we also have to realise is that when these swaps programs are finally discharged that will be the time to look at the losses.

The point I was making was about the inappropriateness of the Labor Party entering into these particular programs at that time. The Labor Party set the seal, because during that time they swapped from the European and Japanese type currencies into the hard American currency. There was a gyration in the value of our dollar under Labor’s administration and at the same time we had a great build-up in the amount of debt. For example, at the time of the Labor Party’s taking government the debt was something like $16 billion since Federation, but it increased by something like $80 billion to $96 billion by the time Labor left government. So there is nothing for the Labor Party to be proud of. It locked us into a high, hard currency, the US currency, from which there was no retreat because the dollar had already, under its mismanagement, deteriorated to something of the order of 50c in the dollar. So what we are looking at now is that under our better management there is likely to be an improvement in the exchange rate between the Australian dollar and the American dollar. The final outcome, if this hardening of the Australian dollar continues, is that we are likely to get a better result than has been forecast by the doomsayers on the other side.

Senator Cook—Are you saying that the Australian dollar will appreciate against the US dollar?

Senator WATSON—Everybody knows that at the present time the Australian dollar is undervalued relative to most other currencies in the world, and even you are nodding to that, Senator Cook. So, other things being equal, with the continuation of the strong economic management of Peter Costello and the Howard government, if you ask anybody interested in exchange rate movements they will say that the Australian dollar is undervalued—(Time expired)

Senator COOK (Western Australia) (3.26 p.m.)—Before I start on the body of my remarks, I need to refute two things that have been said by the previous speaker. The first relates to the $5 billion worth of unrealised losses that are being quoted here. What needs to be said about this is that the accounting system under which the Commonwealth now operates is the accrual accounting method. It was touted as a major reform by this government when we moved to accrual accounting. Under accrual accounting there is no such thing as unrealised losses. So to hear from the government that these are not real losses but are unrealised losses, when it has changed the accounting system which defines that out of existence, is a total red herring, if not a mislead.

Secondly, the previous speaker talked about the inappropriateness of entering into
currency swaps. There was nothing inappropriate about this policy when it was introduced. The problem was that the circumstances changed later. What is inappropriate is to maintain a policy that was appropriate to the circumstances at the time and not change it when those circumstances alter. The circumstances that altered here were on the watch of Mr Costello. The circumstances altered when interest rates, which classically between Australia and the US always were higher in Australia because we are a net borrower on the international market, reversed and US interest rates went above Australian interest rates. That is when the warning signals should have gone off and that is when the practice should have altered. That was a significant, fundamental change to the whole financial structure which this policy was built on. To pretend that this is a Labor policy—4½ years after this government took office and it was still administering a Labor policy—and therefore it is a responsibility of the former Labor government is gross dishonesty in these circumstances. It is just laughed out of court by anyone who knows anything at all about this issue.

The word ‘cover-up’ occurs here. Let me offer a bit of advice. Governments should remember that there is a law of politics which says that, whatever the problems with the original sin, it is better to admit that sin up-front and promptly because the damage done by covering up is always worse. Did the government come forward and reveal that it lost $5 billion? No, of course it did not. It hid it on page 80 of this document, which was only found by forensic work by Senator Conroy’s office and then dealt with in estimates. It hid it here. It is a criticism of the former Labor government is gross dishonesty in these circumstances. It is just laughed out of court by anyone who knows anything at all about this issue.

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Senator Conroy—Which page? Where do they tell you?

Senator COOK—On pages 80 and 81 of the reference pages that should be gone to. The Treasurer knew. Senator Sherry is right: if the Treasurer had made $5 billion profit, would he have hid that from the Australian people? When he made a $5 billion loss, he did. The cover-up which now goes on will bring this government down eventually. Certainly, it has ruined its reputation for financial management in the eyes of the market because the practice that this government has entered into would not be accepted if this government were a listed company on the stock exchange reporting to its shareholders. At a shareholders’ meeting, if the Treasurer is regarded as the director and did not report to shareholders a $5 billion trading loss, shareholders would want to know why and would dismiss him. If it were a statutory corporation and did report up-front and honestly a $5 billion trading loss, the directors of that statutory corporation would rightfully be dismissed, but the Treasurer does not report it.

This is taxpayers’ money. This is $5 billion worth of health and education expenditure that we do not have that could have made life better for millions of Australians, which now will not. This is taxpayers’ money he has speculated on. To not reveal the advice he got from Treasury condemns him because Treasury provided him with advice at critical junctures when he could have reviewed this policy. We have asked for that advice to be tabled so that it is open and transparent, but the cover-up continues. That advice will not be tabled; the Treasurer has made that clear. Do not cover up, is my advice to the government, because you get caught every time. (Time expired)

Question agreed to.

Immigration: ‘Children Overboard’ Affair

Environment: Great Barrier Reef Marine Park Authority

Senator BARTLETT (Queensland) (3.31 p.m.)—I move:

That the Senate take note of the answers given by the Minister for Defence (Senator Hill) to questions without notice asked by the Leader of the Australian Democrats (Senator Stott Despoja) and Senator Bartlett today relating to aspects of executive accountability.

Both those answers highlight a continuing thread from this government—this links to the closing words of Senator Cook—which is the ongoing habit of this government to cover up. We have seen the provocative and pre-emptive decision of cabinet yesterday to
prevent senior ministerial advisers, who are pivotal in the whole ‘children overboard’ issue, from giving their side of the story to the Senate committee. This highlights again the growing contempt of this government for any form of proper public scrutiny. It is worth re-emphasising that it is the role of the Senate in particular to monitor the activities and operations of the government, the executive of the day. This particular incident, which has generated a lot of interest and public debate, deserves appropriate scrutiny. That is the reason why the Senate has decided to establish the Senate Select Committee on a Certain Maritime Incident to look at that specific incident. It cannot be emphasised strongly enough how crucial it is that those sorts of inquiries have the opportunity to extract the full evidence. We have seen now a clear attempt by this government to try to duck that scrutiny. We have heard statements by former Minister Reith also indicating his unwillingness to put on the public record what happened.

It is one thing for the government to magnanimously decide to have an internal inquiry and table the report—that is useful as far as it goes—but it is to be a private inquiry. We do not get to see the answers that each of those people give and we certainly do not get a chance to question those people directly to clarify any extra evidence that we may be trying to obtain. It is a clear indication of this government’s desire to continue to try to cover up the facts of what happened. Mr Howard has repeatedly said that he has nothing to hide, yet he is trying to make sure that some of the key people in the whole episode are kept hidden from public scrutiny.

We have a similar scenario in relation to this new approach by the new Minister for the Environment and Heritage not wishing to have simple, plain, open interaction between the Great Barrier Reef Marine Park Authority and elected public officials and parliamentarians. It is worth reminding the Senate that the marine park authority is not a government department; it is an independent statutory authority that works with a number of tiers of government. The Democrats believe it is inappropriate for such an authority basically to have to rely on the whim of an individual minister to give permission for briefings to be provided and for a ministerial adviser to be present whenever those briefings occur. It raises again the question of the adequacy of scrutiny of the activities of the government of the day.

The Great Barrier Reef Marine Park Authority appears before estimates committees, is always very open and accessible and freely answers many questions that are put to it, but ministerial advisers who sit in on such meetings, who may well be the eyes and ears of the minister, are not able to be questioned about their performance. In effect, they can sit in judgment on the activities of the department or the authority in question but they themselves are beyond scrutiny because of the way this process operates. It is an ongoing common thread from this government in relation to both of those issues that were raised by the Democrats today.

It is quite clear from Minister Hill’s response to the second question from me that the government is uncomfortable with the fact that the spotlight is being shone on their attempts to control access to information and to monitor activities and operations of independent statutory authorities in their day-to-day activities in relation to simply providing information to members of parliament. It is a bizarre situation when independent statutory authorities have to rely on the minister of the day to tell them who they can and cannot talk to, when they can do it and who can be in attendance. That sort of thing is completely inappropriate interference and begs the question whether or not there is some extra suspicion on the part of the new Minister for the Environment and Heritage wanting to curtail the independence of the Great Barrier Reef Marine Park Authority. (Time expired)

PETITIONS

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

Science: Stem Cell Research

To the Honourable the President and members of the Senate assembled in Parliament:
The petition of certain citizens of Australia draws to the attention of the Senate that we are concerned at the destruction of human embryos by scientists extracting embryonic stem cells and concerned at proposals by scientists to clone human embryos for the purpose of extracting embryonic stem cells.
Your petitioners therefore pray that the Senate will:

1. Oppose the creation of embryos for the purpose of extracting stem cells and any other scientific purpose (therapeutic cloning);

2. Oppose the use of already existing embryos for the purpose of extracting stem cells and any other scientific purpose;

3. Support, encourage and fund scientific research using adult stem cells from all sources including umbilical cord blood.

by Senator Forshaw (from 451 citizens)

Immigration: Asylum Seekers

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

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

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

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

We, therefore, the individual, undersigned Members Ecumenical Service and McKinnon Secondary College, Victoria 3204, petition the Senate in support of the abovementioned Motion.

And we, as in duty bound will ever pray.

by Senator Tchen (from 53 citizens)

Petitions received.

LEAVE OF ABSENCE

Senator MACKAY (Tasmania) (3.38 p.m.)—I move:

That leave of absence be granted to Senator McKiernan and Senator Gibbs from Wednesday, 13 March to Friday, 22 March 2002 on account of absence due to parliamentary business overseas.

Question agreed to.

NOTICES

Presentation

Senator Allison to move on the next day of sitting:

That there be laid on the table by the Minister for Defence (Senator Hill), no later than immediately after motions to take note of answers on 20 March 2002, the following documents:

- R225.040 Health Physics—Tolerances Ingested and Inhaled Materials
- R225.041 Health Physics—External Radiations
- R216.010 Chemical Warfare Testing Sites—Report by Joint Aus/US Survey Team
- R217.025 Effect on Personnel of Atomic Testing at Maralinga
- R100.018 DCMO Brisbane and Amberley
- R208.010 Certificates for wounds and hurts
- R065.015 Likelihood of Clandestine Introduction of Nuclear Weapons into Australia
- R065.046 UK Testing at Woomera of Missiles with Nuclear Warheads
- R210.004 Radiation Dose Records
- R010.002 Comparison of UK Personnel Listings Against Exposure Records in Australia
R228.022 Safety Procedures and Health Effects—Investigations
R009.011 Weapons Atomic Test Program Investigation of Safety and Health Effect.

Senator Carr to move on the next day of sitting:

That there be laid on the table, by the Minister for Health and Ageing (Senator Patterson), no later than immediately after motions to take note of answers on Tuesday, 19 March 2002, the following documents:

(a) all documents provided by Australian Nuclear Science and Technology Organisation (ANSTO) officials based in Argentina to ANSTO or the Government since September 2001, including but not restricted to matters of the financial condition of INVAP, its capacity to fully deliver the current contract, its repeated applications for Argentinian government loans and any discussion of renegotiated financial arrangements for the Lucas Heights contract;

(b) all documents relating to discussions between the CEO of ANSTO and other senior ANSTO staff and INVAP or any other Argentinian government agency, including but not restricted to the financial circumstances of INVAP, its capacity to fully deliver the current Lucas Heights contract, its repeated applications for Argentinian government loans and any discussion or consideration of renegotiated financial arrangements for the contract;

(c) all documents relating to the termination provisions in the contract entered into with INVAP;

(d) all documents substantiating the claims made by the Minister for Science (Mr Peter McGauran) on the Radio National Earthbeat program on 23 February 2002 that, 'We are constantly monitoring the situation, through our Ambassador specifically' and 'We are alert to any flow on effects from the difficulties of the Argentinian economy, but INVAP is insulated, to all intents and purposes, from those problems'; and

(e) all documents relating to:

(i) any variations in the specifications and capacity of the proposed new reactor since formal negotiations with INVAP were commenced,

(ii) any amendment to the provision of neutron beam assemblies, specifically any amendment to the provision of two thermal neutron beam assemblies and an additional beam assembly for a hot neutron source, and

(iii) project cost revisions consequent on such variations, as well as documents relating to the effect of any such variations on the research capacity and potential of the reactor.

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

(1) That the Employment, Workplace Relations and Education References Committee inquire into the education of students with disabilities, including learning disabilities, throughout all levels and sectors of education, with particular reference to:

(a) whether current policies and programs for students with disabilities are adequate to meet their education needs, including, but not limited to:

(i) the criteria used to define disability and to differentiate between levels of handicap,

(ii) the accuracy with which students’ disability-related needs are being assessed,

(iii) the particular needs of students with disabilities from low socio-economic, non-English speaking and Indigenous backgrounds, and from rural and remote areas,

(iv) the effectiveness and availability of early intervention programs,

(v) access to and adequacy of funding and support in both the public and private sectors,

(vi) the nature, extent and funding of programs that provide for full or partial learning opportunities with mainstream students,

(vii) teacher training and professional development, and

(viii) the legal implications and resource demands of current Commonwealth and state and territory legislation; and

(b) what the proper role of the Commonwealth and states and territories should be in supporting the education of students with disabilities.
(2) That the committee report to the Senate by the last sitting day in October 2002.

Senator Hogg to move on the next day of sitting:

(1) That the following matter be referred to the Foreign Affairs, Defence and Trade References Committee for inquiry and report by 2 December 2002:

Whether the current materiel acquisition and management framework of the Department of Defence is effective in meeting the organisation’s equipment requirements.

(2) In considering this matter, the committee is to examine and report on the following issues:

(a) whether the current materiel acquisition and through-life support system is meeting, and will continue to meet, the needs of Defence and Defence industries in a timely, cost-effective and qualitative manner;

(b) the impact of the Defence Materiel Organisation acquisition reform program on materiel acquisition and management;

(c) the current status of major equipment projects in meeting the organisation’s requirements;

(d) the implications for Australia of political, economic and security developments in the region.

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


Postponement

Items of business were postponed as follows:

General business notice of motion no. 16 standing in the name of Senator Brown for today, relating to the introduction of the Parliamentary Commission of Inquiry into Forestry Tasmania Bill 2002, postponed till 20 March 2002.

General business notice of motion no. 4 standing in the name of Senator Bourne for today, relating to the Dalai Lama, postponed till 13 March 2002.

General business notice of motion no. 29 standing in the name of Senator Allison for today, relating to tobacco advertising at the Australian Grand Prix, postponed till 13 March 2002.

General business notice of motion no. 2 standing in the name of Senator Allison for today, relating to the establishment of a select committee on superannuation, postponed till 13 March 2002.

General business notice of motion no. 30 standing in the name of Senator Brown for today, relating to the business appointments of ministers after leaving office, postponed till 13 March 2002.

FINANCIAL CORPORATIONS (TRANSFER OF ASSETS AND LIABILITIES) AMENDMENT BILL 2002

First Reading

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (3.39 p.m.)—I move:

That the following bill be introduced: a Bill for an Act to amend the Financial Corporations...

Question agreed to.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (3.39 p.m.)—I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (3.39 p.m.)—I table the explanatory memorandum and move:

That this bill be now read a second time.

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

Leave granted

The speech read as follows—

I rise today to introduce a bill that gives effect to extending the sunset clause until 30 June 2003 for banks obtaining a banking authority in order to be eligible for concessional tax treatment when transferring assets and liabilities. The extension of the sunset clause was announced by the Minister for Financial Services and Regulation in August 2001. The existing concession is provided for in the Financial Corporations (Transfer of Assets and Liabilities) Act 1993, however this concession expired on 30 June 2001. The extension will apply from 1 July 2001 to maintain continuity in the application of the sunset clause and to prevent ambiguity in interpreting the status of transfers since 30 June 2001.

Passage of the bill I introduce today will also extend the deadline to effect any subsequent transfer of assets and liabilities from 30 June 2004 to 30 June 2006.

The continuation of the concession is consistent with the original intent of the Act of helping foreign banks restructure their operations in Australia by enabling certain taxes and charges to be waived on the transfer of assets and liabilities (including tax losses).

When the sunset clause expired on 30 June 2001, there was confusion in the industry due to the uncertain impact of unresolved tax issues relating to thin capitalisation legislation and consolidation legislation. This resulted in foreign banks being uncertain about the appropriate structure for their operations in Australia.

Passage of the bill will enable foreign banks to structure their operations with a clearer understanding of the tax regime.

The bill will enable a smooth continuation of business activities resulting in positive flow-on effects to the Australian economy and employment levels.

There is strong support from the banking industry (including the International Banks and Securities Association of Australia (IBSA) and Australian Banking Association (ABA) members) for the bill to be passed as soon as possible in order to give foreign banks comfort in arranging their regulatory status following introduction of the thin capitalisation regime from 1 July 2002. Passage of the bill is also supported by the Australian Prudential Regulation Authority (APRA), the prudential regulator of banking in Australia.

Passage of the bill is consistent with promoting Australia as a centre for global financial services and will enhance its standing amongst the international business community.

I commend the bill to the Senate.

Ordered that further consideration of the second reading of this bill be adjourned to the first sitting day of the next period of sittings, in accordance with standing order 111.

BUSINESS

Rearrangement

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (3.40 p.m.)—I move:

That on Tuesday, 12 March 2002:

(a) the hours of meeting shall be 2 pm to 6.30 pm and 7.30 pm to 11.10 pm;
(b) the routine of business from 7.30 pm to 10.30 pm shall be the consideration of the address-in-reply;
(c) if a division is called for after 7.30 pm, the matter before the Senate shall be adjourned until the next day of sitting at a time fixed by the Senate; and
(d) the question for the adjournment of the Senate shall be proposed at 10.30 pm.

Senator LUDWIG (Queensland) (3.40 p.m.)—by leave—I wish to make a number of comments in relation to the hours of business. I thank Senator Campbell for allowing me to make some statements in relation to this point. The intention of the opposition is to cooperate with the government’s legislative program so far as is possible and practi-
However, it needs to be highlighted that the Prime Minister is responsible for the sitting pattern and the sitting pattern is, as far as we can ascertain, quite short for the first half—both the autumn and winter sittings—of this year, which leaves very little time to consult and to deal with the legislative program in a practical way.

We have agreed to the sitting pattern being altered to allow the address-in-reply to continue this evening. We have done that on the basis that it is a worthwhile process. However, we do wish to at least highlight the practical difficulties that confront us in dealing with the legislation over both the autumn and winter sittings given the short legislative program that is currently before us. We are also concerned that further additional time may be sought where our corporation may not be so readily given because of the lack of sitting days that are available between now and both the autumn and winter sittings. The legislative program is tight, as I have highlighted, and the shortage of days will create some difficulties for everyone in dealing with the legislation in a practical and cooperative manner. I hope that the seeking of additional days and hours of business to deal with such things as address-in-reply are not as readily formulated on the government’s side, with the assumption that we will cooperate at all times. That is all I really want to say at this point in time.

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (3.42 p.m.)—Firstly, I think the Manager of Opposition Business has hit the nail on the head. It is a restricted time. Yes, the government does have to set the schedule and there are some unusual issues and some that recur whenever you have the establishment of a new parliament. We have got a relatively early Easter this year—which I think is a good thing, particularly if you live in Perth, because the weather will be nice when you have your Easter holiday. The meeting of CHOGM was delayed after the events of 11 September and was shifted into this period, and then we had the commencement of a new parliament. There was a bit of scuttlebutt around in the media when we set the starting date for this year, which I think was the week beginning 11 February—I do not have the date in front of me. Some people said that that was a late start.

I asked Scott Faragher, who is my assistant in this position, to do some research on the starting dates going back some years. The date of 11 February is quite an average sort of a date. You will know if you look back through history that starting dates are often much later than 11 February. Give or take a week, that is a pretty normal starting time. People can argue that we could have come back a week earlier, but I did not see any enthusiasm for that from any side of the chamber, from talking to people. We do have stress on the program as normal. The sittings for the rest of the year form into an almost symmetrical, normal pattern of two weeks on, two weeks off. The sitting schedules are heavily weighted towards the end of the year, but that does not, unfortunately, eliminate the need for the government to get some essential legislation through prior to Easter.

The stress on the program to date has been caused by what I would regard as an unusually long debate, already, in relation to the regional forest agreements legislation. I have noticed that the legislation has been debated a couple of times here before, but I note that the committee stage has already become quite elongated and that the regular calling of quorums has become a feature of the debate. I implore all senators to have a look at the time that is available, have a look at the program and try to evaluate the priorities for the Senate. It would be very undesirable, for example, to spend a couple of weeks discussing one bill and then to have to concertina, potentially, another dozen bills into a day, which has quite often been the case for the Senate in the time that I have been here. You can see one bill take an extraordinary length of time where we have repetitive debate, undoubtedly on important issues, and then on the last day we come in here and say, ‘We have to get these bills passed’ and an enormous amount of important legislation gets put through in a short time. It is not a particularly good way to manage a legislative agenda.

The government tries very hard—we often fail, but we try very hard—to get the legisla-
tion in and I think that is another issue that
the manager on the other side would also
recognise and one that people who have been
here for a while would recognise. I think it is
good for the public to recognise that, when
we have a new parliament, we have to rein-
troduce a lot of bills that might have been on
the Notice Paper from the previous parlia-
ment. We cannot just pick up a piece of leg-
islation and start it off from where it was
prior to the the ending of the previous par-
liament, we have to reintroduce it. I think in
the case of this government we have had to
reintroduce dozens of pieces of legislation
that were left over from the previous parlia-
ment.

There are some special problems that oc-
cur here in the Senate. Apart from bills that
we can introduce here, such as the Regional
Forest Agreements Bill, there is a raft of bills
that have to work their way through the pro-
cesses in the other place and wander their
way across the hall and get into this place
before we can deal with them. So the start of
the legislative workload for the Senate is
quite often delayed a bit because of the
House of Representatives having to deal with
those bills. The government have a list of
bills that we are working on that we regard
as essential to get passed before Easter, and I
had hoped to distribute that to leaders, whips
and the Manager of Opposition Business in
the next few hours.

I take this opportunity to say I appreciate
the agreement of all senators to sit tonight to
handle the address-in-reply, which will take
some pressure off time otherwise available
for government business. I implore all sena-
tors who are involved in the regional forest
agreements debate to—certainly give it con-
sideration, give it the sort of review that it
needs; it is an important issue—try to bal-
ance the need for the Senate to handle a
whole range of legislation. I do not think it is
good management to spend an enormous
amount of time on one bill and then truncate
the time on all the other bills. I thank all
senators giving the government the ability to
handle the address-in-reply in this way.

Senator MACKAY (Tasmania) (3.48
p.m.)—by leave—I would like to put some
statistics on the record. As the Manager of
Opposition Business has indicated, we
somewhat reluctantly come to the table in
relation to this matter. I also indicate that
here we are now on the fourth Senate sitting
day and the government has already asked
for additional time. The reason for this is
fairly obvious—and I appreciate this is
probably not the fault of the Manager of
Government Business—in that the program
is extraordinarily light on for the first half of
the year. Every one of us who saw that was
immediately struck by the fact that, with the
large amount of legislation that has inevita-
bly come through, as Senator Campbell has
indicated, there are clearly insufficient sitting
days. If you look at the calendar, there are
only another five days of sitting this fortnight
and there is then a seven-week break until
the Senate resumes in budget week. The
government has allocated just 10 days in the
autumn sittings to deal with 37 bills. Obvi-
ously, this is not going to work, and I suspect
we will be back for an extra week, at least.

This is obviously a totally unrealistic time
in relation to legislation. There is a total of
21 Senate sitting days in both the autumn
and winter sittings before parliament re-
sumes in late August for the spring sittings,
which we as an opposition regard as inade-
quate. Just briefly—and I thank the chamber
for its indulgence—if you look at previous
years, post-election, there are some fairly
unfavourable contrasts. For example, in 1997
the Senate sat for 82 days, and in 1999 the
Senate sat for 79 days. We, by contrast, have
only allocated 61 days for 2002. So I would
like to put on record that a bit more forward
planning would have been appreciated in
relation to it, and indicate again that we are
on the fourth day of sitting and we are being
asked for additional hours. As Senator
Ludwig has indicated, we will not be looking
so favourably at government requests in the
future, but we will determine them on their
merits.

Senator BROWN (Tasmania) (3.50
p.m.)—by leave—I am very happy to give
support to the extra sitting hours tonight for
the address-in-reply, to help the government
out, and indeed the Senate. But I want to
respond to the government’s call for the ex-
pedition of the regional forest agreements
legislation. I can help the government out there. If the government cares to answer the questions that are being brought forward in the committee on such matters as why 500 jobs have been shed out of the industry after $80 million of taxpayers’ money has been put into the woodchip industry in Tasmania since Prime Minister Howard signed the regional forest agreement—and it repeatedly refuses to do so—we could move on. If the government were able to say why it has failed to make environmental protection a matter for Commonwealth overview, and why it refuses to agree to keep the legislative powers in the federal minister’s hands to protect Australia’s wild forests and their wildlife, when that is a national responsibility, we would be able to move on. These are important questions.

These are important questions. I do not agree with the government about the priority of this matter. I wanted it through in an hour and a half. I have an enormous constituency in Tasmania and I also represent constituencies in Western Australia, Victoria and New South Wales which think very differently. But if the minister, who is now giggling opposite, could answer questions instead of acting like that, we could move on with that legislation. So there is the challenge: answer the questions, come forward with the factual information that is required and engage in a constructive debate. I might also say to the government: if you do not want to see quorum called, have enough people in here to maintain a quorum on an important issue like this, because it is your responsibility, and the debate will move on very swiftly indeed.

Senator STOTT DESPOJA (South Australia—Leader of the Australian Democrats) (3.53 p.m.)—by leave—I simply wish to state on behalf of the Democrats that we share some of the concerns that have been raised in this debate in relation to the Senate schedule—as, indeed, our whip and others put on record at the time of the distribution of this year’s sitting schedule. We did find it extraordinary to think that this was one of the lightest sitting schedules—if not the lightest—in a non-election period. I suggest to Senator Ian Campbell that, if the government wants to avoid that kind of concertina effect to which he referred in relation to legislation and bills building up, maybe there should be a more judicious assessment of the time required—

Senator Ian Macdonald—You will help us through with the RFA Bill, will you?

Senator STOTT DESPOJA—I take Senator Ian Macdonald’s point in relation to recent legislation, and I would like to put on record that my party has viewed that legislation in a very constructive way. I do not believe that you can argue we have done anything but debate that with a judicious use of time. I also acknowledge the Democrats have supported the government with the additional sitting hours tonight. If there are such plans in the near future, we would like to be consulted. I am sure the residents of Canberra will have a tough choice tonight as to whether to go to the Nick Cave concert or stay home and listen to the address-in-reply. Certainly on this occasion we are happy to support the government, but we think there are some issues in relation to the light schedule that is before us for the rest of this year.

Question agreed to.

ADVANCE TO THE FINANCE MINISTER

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (3.55 p.m.)—I move:

That consideration of the Advance to the Finance Minister as a final charge for the year ended 30 June 2001 in committee of the whole be made an order of the day for the day on which legislation committees report on their examination of the Advance.

Question agreed to.

LUCAS HEIGHTS: NUCLEAR REACTOR

Senator STOTT DESPOJA (South Australia—Leader of the Australian Democrats) (3.56 p.m.)—I move:

That there be laid on the table, by the Minister for Health and Ageing (Senator Patterson), no later than immediately after motions to take note of answers on Tuesday, 19 March 2002, the following documents:

(a) the post-September 11 security review of the nuclear reactor at Lucas Heights carried out by the Australian Nuclear
Science and Technology Organisation; including the original analysis, and review documents from the Australian Safeguards and Non-Proliferation Office, and the Australian Radiation Protection and Nuclear Safety Office;

(b) all documents relating to the modelling and analysis of a deliberate large aircraft crash into the nuclear reactor at Lucas Heights;

(c) all documents relating to the claim made by John Loy at Senate estimates hearings on 20 February 2002, that should the reactor at Lucas Heights be breached, the ‘doses to any individual would be relatively small’ and that ‘the total collective radiation dose that is figured in that would be comparable to, but a little in excess of, the collective dose that was in the reference accident in the siting licence assessment for the Lucas Heights site, but not dramatically so’, including any documentation modelling this claim;

(d) any documents relating to the financial capacity and viability of INVAP since 1 January 2002;

(e) all documents relating to the selection of INVAP through the tender process; and

(f) all documents relating to guarantees made by the Argentinian Government in relation to INVAP’s tender and subsequent contract to construct the Lucas Heights reactor.

RUSSELL, SERGEANT ANDREW

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (3.56 p.m.)—I move:

That the Senate—

(a) records its deep regret at the death, on 17 February 2002, of Sergeant Andrew Russell during active service in Afghanistan;

(b) notes with appreciation the efforts of all Australian military personnel engaged in the war against terrorism;

(c) recognises the major risks our defence forces are prepared to take to reduce the risk to Australians and our friends of harm through terrorist attacks; and

(d) extends it sincere condolences to the wife and family of the late Sergeant Andrew Russell.

Question agreed to.

PARLIAMENTARY ZONE

Approval of Works

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (3.56 p.m.)—I move:

That, in accordance with section 5 of the Parliament Act 1974, the Senate approves the proposal by the National Capital Authority for capital works within the Parliamentary Zone, being the refurbishment of the former Communications Centre in the John Gorton Building.

Question agreed to.

Approval of Works

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (3.57 p.m.)—I move:

That, in accordance with section 5 of the Parliament Act 1974, the Senate approves the proposal by the National Capital Authority for capital works within the Parliamentary Zone, being the construction of two outdoor playgrounds for the childcare centre in the Treasury Building.

Question agreed to.

COMMITTEES

Rural and Regional Affairs and Transport Legislation Committee

Extension of Time

Senator CAL VERT (Tasmania) (3.56 p.m.)—On behalf of Senator Crane, I move:

That the time for the presentation of the report of the Rural and Regional Affairs and Transport Legislation Committee on the 2001-02 additional estimates be extended to 21 March 2002.

Question agreed to.

Foreign Affairs, Defence and Trade Legislation Committee

Extension of Time

Senator CAL VERT (Tasmania) (3.58 p.m.)—On behalf of Senator Sandy Macdonald, I move:

That the time for the presentation of the report of the Foreign Affairs, Defence and Trade Legislation Committee on the 2001-02 additional estimates be extended to 21 March 2002.

Question agreed to.
Meeting

Senator CALVERT (Tasmania) (3.58 p.m.)—On behalf of Senator Sandy Macdonald, I move:

That the Foreign Affairs, Defence and Trade Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on 12 March 2002, from 6 pm to 7.30 pm, to take evidence for the committee’s inquiry on the 2001-02 additional estimates for the Department of Veterans’ Affairs.

Question agreed to.

Legal and Constitutional Legislation Committee

Extension of Time

Senator CALVERT (Tasmania) (3.58 p.m.)—On behalf of Senator Payne, I move:

That the time for the presentation of the report of the Legal and Constitutional Legislation Committee on the 2001-02 additional estimates be extended to 21 March 2002.

Question agreed to.

Meeting

Senator CALVERT (Tasmania) (3.59 p.m.)—On behalf of Senator Payne, I move:

That the Legal and Constitutional Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on 12 March 2002, from 7 pm, to take evidence for the committee’s inquiry on the 2001-02 additional estimates.

Question agreed to.

Economics Legislation Committee

Meeting

Senator CONROY (Victoria) (3.59 p.m.)—I move:

That the Senate—

(a) instructs the Economics Legislation Committee to reconvene for the consideration of additional estimates on 13 March 2002, from 9 am until no later than 1 pm, to hear further evidence from the Minister representing the Treasurer and relevant officers concerning the responsibilities of the Australian Office of Financial Management (AOFM);

(b) directs the Minister to ensure that relevant officers, including Mr Michael Allen, Dr Martin Parkinson and officers serving on the Australian Office of Financial Management Advisory Board, appear before the committee at that hearing for that purpose;

(c) directs the Minister to ensure that the relevant officers bring to the hearing and make available to the committee for inspection and use, relevant documentation, including:

(i) copies of all reviews undertaken since 1996 of the management program for the Commonwealth debt portfolio, including but not limited to:

(A) AOFM: Review of Foreign Currency Exposure, 2000-01, as cited in the AOFM Annual Report, 2000-01,

(B) UBS: A Benchmark for the Commonwealth Debt Portfolio, May 1996, as cited on page 48 of Auditor-General’s report no. 14 of 1999-2000,

(C) UBS: Review of the Benchmark, June 1998, as cited on page 50 of Auditor-General’s report no. 14 of 1999-2000,

(D) Department of the Treasury: Review of the Benchmark, December 1996, as cited on page 54 of Auditor-General’s report no. 14 of 1999-2000,

(E) Department of the Treasury: Review of the Benchmark, November 1997, as cited on page 54 of Auditor-General’s report no. 14 of 1999-2000,

(F) Department of the Treasury: Review of the Benchmark, August 1998, as cited on page 54 of Auditor-General’s report no. 14 of 1999-2000,

(G) Bankers Trust, Car michael Consulting and Cooper’s & Lybrand, Review of the Benchmark, 1997, as cited by the Treasurer in his press conference of 4 March 2002, and

(H) AOFM, Review of the Benchmark, November 1999, as cited in the AOFM submission to the Joint Committee of Public Accounts and Audit ‘Audit Recommendations and Status of Action as at End April 2000’,

(ii) File AOFM2000/00243—Executive: Foreign Exchange Risk Management:
Foreign Exchange Exposure Review
Taskforce: CEO’s working papers,
(vii) File AOFM2000/00124—Admin Unit: AOFM Advisory Board (Part 1),
(viii) File AOFM2000/00124—Admin Unit: AOFM Advisory Board (Part 2),
(ix) File AOFM2001/00124—Admin Unit: AOFM Advisory Board (Part 3),
(x) File AOFM2001/00124—Admin Unit: AOFM Advisory Board (Part 4),
(xi) File AOFM2000/00316—Portfolio Research Unit: Debt Management Strategy: AOFM Liability Management Committee Meeting Papers: from 25 October 2000 meeting,
(xiv) File AOFM2000/00234—Debt Policy Unit: Swaps Policy: Notes Reporting on the Commonwealth of Australia’s Swap Activities during 2000-01,
(xv) File AOFM2001/00015—Portfolio Research Unit: Swaps Policy: Swap Counterparties Utilisation of Market Exposure Limits,
(xvi) File AOFM2001/00017—Portfolio Research Unit: Debt Management Strategy: AOFM Liability Management Committee Meeting Papers: from 10 January 2001 meeting, and
(xvii) File AOFM2001/00152—Portfolio Research Unit: Debt Management Strategy: AOFM Liability Management Committee Meeting Papers: from 2 May 2001 meeting; and

(d) that the time for the presentation of the report of the Economics Legislation Committee on the 2001-02 additional estimates be extended to 19 March 2002.

Senator CHERRY (Queensland) (4.00 p.m.)—by leave—I move:
After paragraph (c), insert:
(ca) directs the Minister to ensure that relevant Officers of the Australian Prudential Regulation Authority Insurance and Superannuation Statistics Unit appear before the committee at the hearing to provide evidence on General Insurance Industry Statistics.

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (4.00 p.m.)—by leave—I want to make a very brief statement. I would like to make the point that when we—and by we I mean basically all senators—are organising the estimates process it involves trying to juggle the requirements of senators, chairmen and deputy chairmen on eight different committees and the schedules of ministers, shadow ministers and a range of other people. It is a particularly hard thing to do. It is achieved and has been achieved quite successfully with a lot of cooperation between all of the parties, particularly the two major parties in the Senate. It has been achieved through working out a set of protocols that have been negotiated between me, the previous Manager of Opposition Business, Senator Carr, with assistance from Senator Robert Ray from time to time on the sidelines giving us the benefit of his previous experience in the role, and of course with the cooperation of the minor parties as well. We have in place a set of protocols that work very efficiently. They involve, generally speaking, a process whereby we allocate various departments to various committees, structure those committees to minimise clashes between ministers and also to try and facilitate wherever possible the relevant shadow minister so that they can cross-examine the ministers in
portfolios they have an interest in. It has generally worked out to be quite successful.

We also have what is called a spill-over day—in the inside, baseball parlance of the Senate—to allow committees that have a longer process to take an extra day. The opposition have agreed generally to provide the government with advance notice, usually up to a week and sometimes longer, of the committees that they will require to answer further questions. That helps us, particularly in my role of trying to ensure that ministers are available. The great benefit of that is that it allows ministers who are not going to be required to schedule their days away from Canberra or doing other work. It works out very effectively and, generally speaking, the agreement has been that unless the committees have been nominated they should not spill over.

From time to time some committees do find, due to just the pure pressure of the timetable and maybe particular interest in a particular program that was unforeseen, that there is a need to seek extra time. Generally speaking, agreements are worked out between the chairman of the relevant committee, the Labor Party or opposition or minor party people who have an interest and the minister to find a time in the following week, usually in the evenings, to wrap up the work. That generally works well. I have generally worked on the basis that if both the parties and the minister agree to sit extra hours later in the week or the next week then that is fine by me.

This particular proposal, as I understand it, was not the subject of consultation between the two parties and certainly was not with me—and it is my core responsibility to ensure a minister is available. I think it is very desirable that where committees are going to seek extra time there be a proper process followed. From time to time those processes do break down and I think on this occasion the process has broken down. I think I and Senator Ludwig will discuss how to progress and improve on the existing process, which has evolved over time but generally has worked well, and one of the proposals will be to see that, even where there is agreement between the chairmen and the ministers and others, he and I be consulted from both sides so we can minimise clashes.

For example, with this committee that Senator Conroy is seeking to sit tomorrow, we have already identified a clash whereby it is going to be very hard to find the relevant minister to sit. We will have to negotiate to find that time. All of the relevant Treasury ministers and parliamentary secretaries are going to be otherwise involved. We have, of course, a responsibility to either show up or find someone else who can. But we will work through that. It is an example of why cooperation and discussion is preferable to seeing these things come up without that consultation and discussion. I would record my thanks to the previous Manager of Opposition Business, to Senator Ludwig who has jumped into the role very quickly and effectively and to Senator Ray for his previous assistance in developing these systems and ask all senators if they could respect those processes and try and work within them.

Senator LUDWIG (Queensland) (4.05 p.m.)—by leave—It really behoves me to make some comments. Yes, there is an extraordinary amount of cooperation that is required to ensure that the estimates process is undertaken and that the senators have got sufficient time to scrutinise the government business that is before them. There is a detailed examination of the appropriate process required to be undertaken by all senators and it does take a significant amount of both cooperation and organisation from both the government side and the opposition side. Senator Ian Campbell is correct in saying that there are protocols in place. We need to have protocols in place to ensure the smooth running of the estimates process. But we do have to also take into consideration that it is a vast improvement on the system of the committee of the whole. This process does allow us to consider the estimates process or the Appropriations Bill at the same time that the Appropriations Bill itself is in the House—and in fact I understand it is in the consideration stage over there and not even ‘in the House’. That allows a significant amount of time saving to be undertaken while senators are examining the machina-
tions of government and their expenditure in great detail.

Given that the last time senators had a great opportunity to examine government expenditure was during May in the last parliament, and given we were unable to have the period in November that is usually set aside for additional estimates, to be able to fit all the matters in that were required to be fitted in and to allow senators the opportunity to scrutinise the appropriation bills by the Senate was no mean feat. I think senators on both sides put themselves well and truly to the task. However, given that there was a five-month period when the parliament did not sit due to the election and the delay that that caused, it is not surprising that there have been some hiccups. Senator Ian Campbell himself alluded to the problems with the sitting pattern earlier, where he outlined that obviously some problems would arise which would cause debate on legislation to be short.

It is not unusual, given the circumstances that we now find ourselves in, that my colleague Senator Conroy did find during the additional estimates process something that did require a little bit more examination, debate and inquiry. He did what any good senator would do: he sought to exploit the opportunity and to find a suitable time. If there has been an incident that requires more time to be inquired into, then a senator is entitled to seek further time to explore those points and there should not be any restriction upon that. A senator is quite entitled to come to this chamber and move a motion to seek additional time to explore those points. That is a valid use of the Senate. He is not taking up significant time of the Senate; it is a hearing that can be held concurrently with the sitting of the Senate. So there is no time impost on the Senate itself. The additional estimates process and the course that Senator Conroy has taken in all this is entirely appropriate. It has allowed the additional estimates to be used appropriately and to be finalised. I am sure that, with good cooperation from both sides, we can always allow these things to occur and, of course, minimise any unforeseen circumstances and deal with them as they arise.

Senator ROBERT RAY (Victoria) (4.10 p.m.)—by leave—No senator, Senator Conroy or anyone else, can capriciously recall estimates committees because they feel like it. Estimates committees have been recalled on four or five occasions always for the identical reason—that is, information given to the original hearing has been proven wrong and has been corrected by witnesses at a later time. The crucial point here is that Senator Conroy was given evidence that the officer later had to correct—to the order of $2 billion—which prevented Senator Conroy continuing to explore matters at that committee hearing, as a result of which the committee hearing may have taken a completely different turn. I think we should understand that this is a principle that the Senate has voted on on a number of occasions in the past. When incorrect information has been given—not maliciously or deliberately—that would have changed the course of the questioning at the estimates committee, then the committee should reconvene. It should not reconvene because suddenly it is a big issue or we forgot to ask certain questions or some other information has come to light somewhere else. In those circumstances, you have to wait for the normal rotation of estimates committees to pursue those things. But it should almost be automatic—not entirely automatic; the Senate has to give it the tick—

Senator Murray—It has to be material.

Senator ROBERT RAY—Yes, it has to be material. But I think you would agree that $2 billion is probably material in this case. That is the reason we have to agree to extra time. I agree with the comment Senator Ian Campbell has made that the more consultation you have on these issues and the more you iron out the wrinkles—and he has been very good at it; the only time the process has ever tended to go off-track is when Senator Campbell has been back in Western Australia and some of the chairs have not quite understood in which direction he has tried to take it—

Senator Ian Campbell—We should have the estimates in Western Australia; is that the solution?
Senator ROBERT RAY—That would be appealing to a number of us, but let us not divert. I said I would be brief. I just reiterate that point: estimates should be recalled when misleading evidence is given that would materially affect the way the estimates committee would proceed.

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

Question agreed to.

The ACTING DEPUTY PRESIDENT—The question now is that the motion, moved by Senator Conroy, as amended, be agreed to.

The Senate divided. [4.16 p.m.]
(The Deputy President S.M. West)

Ayes……………...34
Noes……………...29
Majority………...5

AYES
Allison, L.F. Bartlett, A.J.J.
Bishop, T.M. Bolkus, N.
Bourne, V.W. Brown, B.J.
Buckland, G. Carr, K.J.
Cherry, J.C. Conroy, S.M.
Cook, P.F.S. Cooney, B.C.
Crossin, P.M. Crowley, R.A.
Denman, K.J. Evans, C.V.
Faulkner, J.P. Forshaw, M.G.
Gibbs, B. Greig, B.
Hogg, J.J. Hutchins, S.P.
Lees, M.H. Ludwig, J.W.
Lundy, K.A. Mackay, S.M. *
McKernan, J.P. McLucas, J.E.
Murphy, S.M. Murray, A.J.M.
Stott Despoja, N. West, S.M.

NOES
Abetz, E. Alston, R.K.R.
Barnett, G. Boswell, R.L.D.
Brandis, G.H. Calvert, P.H.
Campbell, I.G. Colbeck, R.
Crane, A.W. Ellison, C.M.
Ferris, J.M. Harradine, B.
Heffernan, W. Herron, J.J.
Kemp, C.R. Knowles, S.C.
Lightfoot, P.R. Macdonald, I.
Macdonald, J.A.L. Mason, B.J.
McGauran, J.J.J. * Minchin, N.H.
Patterson, K.C. Payne, M.A.
Scullion, N.G. Tchen, T.
Tierney, J.W. Troeth, J.M.
Watson, J.O.W. * denotes teller

Question agreed to.

HUMAN RIGHTS (MANDATORY SENTENCING FOR PROPERTY OFFENCES) BILL 2000

Report of Legal and Constitutional References Committee

Senator McKernan (Western Australia) (4.21 p.m.)—I present the report of the Legal and Constitutional References Committee on the Human Rights (Mandatory Sentencing for Property Offences) Bill 2000, together with the Hansard record of the committee’s proceedings and documents presented to the committee.

Ordered that the report be printed.

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

Leave granted.

Senator McKernan—I move:

That the Senate take note of the report.

In presenting this report I make note of the fact that it follows an earlier report tabled by the Legal and Constitutional References Committee in March 2000 on matters arising from the Human Rights (Mandatory Sentencing of Juvenile Offenders) Bill 1999. Both of these bills—that is, the bill the subject of the previous inquiry and the one from this inquiry—were directed at overriding state and territory laws which required courts to sentence persons who were convicted of committing property offences to particular terms of incarceration. Both bills were essentially directed at legislation in the Northern Territory and Western Australia.

Following the tabling of the committee’s report on the Human Rights (Mandatory Sentencing of Juvenile Offenders) Bill 1999, the bill was debated and passed by the Senate. It was then introduced into the House of Representatives. However, it was not debated in that chamber and the bill lapsed with the dissolution of the last parliament. That is not, however, the end of the story regarding the
bill or, indeed, the report. The Commonwealth government and the Northern Territory government agreed in July 2000 on the introduction of, and funding for, a pre-court juvenile diversionary program and an improved interpreter service for the Northern Territory. It was suggested in one submission to the second inquiry:

Following the implementation of the changes announced in July 2000, there are now few cases of young offenders in the Northern Territory being sentenced to periods of detention, who would not have been so sentenced were the mandatory sentencing provisions not in existence.

The Human Rights (Mandatory Sentencing for Property Offences) Bill 2000 was introduced into the Senate on 6 September 2000 and was referred to the committee on 24 May 2001. The public inquiry process was delayed by circumstances beyond the committee’s control. Two general elections—firstly, for the Northern Territory and, then, for the Commonwealth—intervened. However, that delay was fortuitous in that the new government in the Northern Territory repealed the Territory legislation against which the bill was directed and the Western Australian Department of Justice produced a report on the operation of the relevant legislation in that state.

This report was very important insofar as it gave the committee more detailed and precise information on the people actually affected by mandatory sentencing than was previously available. That information, however, was not complete, but it did enable the committee to judge how the legislation was operating. The inquiry created wide interest. The committee received 107 submissions and recorded 300 pages of evidence over four hearings. Although the public hearings in Canberra and Sydney were conducted before the Northern Territory elections and the publication of the review of the Western Australian legislation, this did not detract from their value.

No witnesses at the Darwin public hearing expressed regret for the repeal of the Territory legislation. There is only one sentencing regime for juveniles, whether they have committed property or other offences. On the other hand, some witnesses were critical of the replacement sentencing regime for adults who have committed property offences in the Territory. The committee regarded consideration of this regime as beyond its terms of reference. The committee considers, and all witnesses agree, that the bill would now have no impact in the Northern Territory due to the present legislative regime in the Territory.

The Western Australian mandatory sentencing legislation applies only to home burglars. The Department of Justice report found that the legislation has had no impact on adults because their sentences, handed down by the courts, are almost always more severe than is required by the legislation. So far as adults are concerned in Western Australia, mandatory sentencing is only an illusion. The most horrifying point about the Western Australian mandatory sentencing legislation is that the people who are most often locked up under it are young Aboriginal boys from the country. Aboriginal children, particularly those in the country, are less likely than others to access diversionary programs. Moreover, the only detention facilities for children in Western Australia are in the Perth metropolitan area. A child will be detained further away from his or her family than will an adult convicted and sentenced for a similar type of offence.

The legislation operates anomalously in that the minimum period of incarceration for third-strike home burglaries is the same for both adults and children. Children serve half their sentence before becoming eligible for parole whereas adults have only to serve one-third of their sentence before becoming eligible. The government’s own report said:

While it is likely that for the most part juveniles sentenced to detention under section 401 would have gone into detention anyway, a few would not and for others shorter terms may have been considered more appropriate.

The home burglary rate and the police clean-up rate have not been improved by the legislation. Western Australia has the highest rate of home burglary in the Commonwealth. Clearly, the legislation in that state has not worked and is now not working.

The committee is satisfied that the mandatory sentencing legislation does not
achieve its purpose and that it is operating unevenly, effectively catching mostly those who, because of their culture and locality, do not have access to diversionary programs. In all justice, the Western Australian government should not continue with the mandatory sentencing legislation while the diversionary programs available for country Aboriginal children are so inadequate.

The committee calls on the Western Australian parliament to repeal the requirement that third-strike home burglars be imprisoned or detained for at least 12 months. In the event that the Western Australian parliament does not act, it would be appropriate for members of the legal profession and others with a conscience to take steps to test whether the legislation is constitutional or compatible with Australia's obligations under international human rights instruments. The committee does not recommend that this bill be passed until all other remedies for the situation have been exhausted.

With the assistance and cooperation of all those who lodged submissions or gave evidence to the committee, the committee has produced a concise and very balanced report. I express my gratitude to my committee colleagues: firstly, my deputy, Senator Payne; Senators Cooney, Ludwig and Greig; and Senator Brown, who was a participating member of the committee. I would also like to record the committee's appreciation of the work of the committee secretariat in connection with the inquiry and the report: in particular, Dr Pauline Moore, Mr Noel Gregory, Ms Saxon Patience, Ms Carol Evans and Ms Sonia Hailes. I again thank all of the witnesses who made submissions to the committee and who gave their time to appear before the committee at our public hearings. I commend the report to the Senate and to the citizens and the parliament of Western Australia.

Senator BROWN (Tasmania) (4.30 p.m.)—I am very pleased to see this report on the mandatory sentencing legislation which I brought before the Senate last year. I think the committee has done an excellent job of analysing the situation in both the Northern Territory and Western Australia. In the Northern Territory, with the change to the Labor administration of Chief Minister Martin, there has essentially been an abolition of mandatory sentencing laws, which were capturing young people—particularly young Aboriginal people—at a disproportionate rate and delivering them back into society, not any the better for it but much the worse for it.

The action taken by the Senate two years ago led to the government giving financial assistance to the then Territory government to increase diversionary options and also to increase the number of interpreters for Aboriginal people whose first language is not English. This enabled them to understand what was going on in the court system, which is a basic tenet of justice. However, the situation has now greatly improved because of the change of administration in the Northern Territory. I congratulate the Martin administration for having moved on to a much more thoughtful and mature way of dealing with an undoubtedly difficult problem of crime, particularly petty theft.

In Western Australia, the blight of mandatory sentencing remains, as we have just heard, and it also applies to home burglaries. The statute is an affront to international law as well as to good domestic law, and it does disproportionately capture, and therefore injure, indigenous people in Western Australia. There are better ways of dealing with it, including, as Senator McKiernan has said, the diversionary programs which are notably lacking, particularly in rural Western Australia. What an affront it is to the sensitivities of good-natured Australians that young Aboriginal people can be arrested in the Kimberley and taken into detention in the south, thousands of miles away from their kin, their cultural milieu and their environment. The punishment is not primarily the detention, it is the separation. It is very difficult for many people to understand what that means, but it does not result in a good outcome either for those young people or for society. As Senator McKiernan has said, the laws have failed to result in either revenge or a better outcome in terms of the crime statistics. It just has not happened.

I disagree with the majority finding of the committee that we should rely on some other
agent—the legal profession or somebody else—to rectify the matter. The legislation was brought in by the Australian Greens because we believed that the Commonwealth should overrule the mandatory sentencing laws in those two jurisdictions. It now comes down to Western Australia. I am not one who says, ‘The Western Australians will take this to the High Court, therefore we should back off.’ We have an obligation which is domestic, and we have a power which comes through our external affairs power. As Commonwealth legislators I believe we have not just a right but an impulsion to correct this matter. Just leaving the laws on the statute books and hoping something will turn up is not going to rectify it.

The Western Australian government could have taken the opportunity to say, ‘Yes, the laws have failed; they have not done the wider community any good and they have certainly—according to our own statistics—done young indigenous Western Australians a lot of harm, so we will fix them. We will move on to better diversionary programs and make sure those programs are in the homelands of the people most affected.’ If the Western Australian government had done that, there would have been a good result. But I disagree with the committee that somebody else had better fix this. The legislation was brought in recognising that the former administration in the Northern Territory could regain office, and the present administration in Western Australia is not of a mind to change the legislation. I believe this parliament should be. However, the report is full of compulsive reading before you get to the conclusions, and I would recommend it to all senators as well as to all citizens.

The matter has not finished here. In my term in this Senate, I will continue to move as best I can to rectify what is a manifest wrong: these mandatory sentencing laws in Western Australia as they now exist. I thank the committee. I am sorry that I was not able to attend some of the hearings, and I am grateful to Ben Oquist from my office for being there and reporting fully to me on those hearings. I thank the committee and I thank the staff of the committee, who provided excellent services. I think this document is very valuable for the Senate. Above all it says, ‘Don’t leave it at this. Getting the information is nothing if we do not act upon it.’ I do not believe we should rely on somebody else to take that action.

Senator COONEY (Victoria) (4.37 p.m.)—I would like to note the generous words of Senator Brown; besides being generous, they are very accurate words. This is a good report—the sort of report we have come to expect from the Senate Legal and Constitutional References Committee, with Senator McKiernan as its head. He is, like yourself, Mr Acting Deputy President Lightfoot, a Western Australian. I take this opportunity of noting the outstanding work that Senator McKiernan has done in this area, because I am not sure how many more opportunities there will be to note the outstanding work that he has done not only in this area but in parliament generally over the 17 years that he has adorned this place. This is an opportunity for me to acknowledge the contribution he has made to this parliament, to his party, to his state and to the country and, may I say, to the world.

Senator Carr—The world!

Senator COONEY—Yes, he has; he is on the Inter-Parliamentary Union, Senator Carr, and he has done very extensive work at an international level. That ought to be acknowledged. Whilst talking about this, I note the way he has worked with his wife, Jackie. They have made a splendid team and have served this country most honourably.

There are problems with mandatory sentencing, and perhaps the major one is that it does not look at what should be looked at when crime is being assessed. There are three questions that should be asked when a crime is before the court. The first is: what has been done? If it is a theft, is it a theft of a used envelope—which is a charge I know was brought against somebody who a particular organisation wanted to embarrass—or is it somebody charged with stealing millions of dollars? Is it somebody who is charged with illegally using a car that belongs to someone who it is not going to affect terribly much or is it somebody who steals from a widow who is left bereft by the deed?
You should ask about the nature of the crime, and then you should ask who is doing it. Is this someone who has an education, who has the ability to make his or her way in the world and who has had every chance but has, nevertheless, committed a very nasty crime, or is it somebody who has had disadvantages from his or her youth and who is now in a terrible situation because he or she has perhaps been compelled to steal to get food? These are the questions that should be asked. If you have mandatory sentencing, these are questions that you cannot ask.

The other thing I do not like about mandatory sentencing is that it looks at people as being of the same kind. The distinction that should be made is not made in terms of both the crime and the person committing it. Mandatory sentencing also denies the concept of redemption. I am a person who, rightly or wrongly, believes that there should be a chance for people to recover the ground that they have lost through their own criminal activity. Is it wrong to believe that there is such a thing as redemption and such a thing as a good side to people as well as a bad side? It is these sorts of things that mandatory sentencing does not take into account. This is pointed out by this report which the committee, so ably led by Senator McKiernan, has brought forward.

I cannot sit down without mentioning how this parliament itself, in September of last year, introduced mandatory sentencing for people-smuggling. People-smuggling was defined as bringing to Australia five or six people who did not have permission to come. You did not have to be paid for it, so it covers more people than does the general concept of people-smuggling. We have come to think of people-smuggling as meaning smugglers who bring asylum seekers to Australia for money and leech off the system but, as it is defined in the act, it means anybody who brings people to Australia without authority, whether they are paid or not.

If you and I happen to be in Bali, meet some people of excellent character from England or America, bring a load of them—six of them—over here, and are caught as they land, we get five years jail with a non-parole period of three years. According to the legislation we passed in September, this is absolutely necessary. In other words, there is mandatory sentencing for people who may, as a lark, bring very decent people, you might otherwise have thought, to Australia across the straits and land them in Australia without permission. Bang! There is no discretion for the judge to look at it and see whether it was a lark, high spirits or a matter of carelessness or not. We have to go off to jail for five years and a minimum of three—just a nonsense. I must confess that we rushed that proposition through in a great hurry last September.

There are some real problems in this whole area, but this is an excellent report. This will lead, I hope, to the rethinking of this demand for grinding everybody down with mandatory sentencing no matter what. I finish as I started, by acknowledging you, Senator McKiernan, and Jackie as well.

Senator GREIG (Western Australia)
(4.45 p.m.)—I too would like to speak to the motion moved by Senator McKiernan on the tabling of the Senate Legal and Constitutional References Committee report on the Human Rights (Mandatory Sentencing for Property Offences) Bill 2000. As previous speakers have said, this was a good committee and an interesting report. It is a privilege to serve on the Senate Legal and Constitutional References Committee because it deals with some of the more interesting, if not controversial, topics which come before us or which we bring before the committee. I always find it intellectually challenging when in these hearings to hear both sides of the argument. The report is as outlined by Senator McKiernan. On behalf of the Australian Democrats, I was pleased to consent to that report and, to a degree, to the majority finding. There is only one aspect of that with which I disagree, and I have outlined that in my additional comments—not in a dissenting fashion but more as an additional comment. That is the question of whether the federal parliament should override the Western Australian legislation or whether it should be left to the state government of Western Australia. I have argued in my additional comments that that may be well meaning but that it is totally unrealistic.
You may be aware, Mr Acting Deputy President Lightfoot, being a Western Australian yourself, that the mandatory sentencing law—the three strikes law—in Western Australia has popular support. That is recognised by both the existing state Labor government and the coalition opposition. I recall clearly during the election campaign, which saw the election of the now Gallop government, that both sides of the political fence for the major parties were very keen on mandatory sentencing and, whenever questioned on that issue, made it very clear that they would maintain it if in government. That is clearly the case, and I can see no change philosophically, politically or in policy terms from either camp of the major players in my home state.

We should not forget that the three strikes law evolved from legislation that was first introduced by then Premier Carmen Lawrence on behalf of the Labor government in the early 1990s. So I cannot agree to the proposition that the chair has outlined in the majority report, that we should wait and see what the Western Australian government is going to do, because I think we can very reasonably say that it is going to do nothing. Therefore, I have no qualms in being supportive of the notion that the bill should proceed forthwith.

In terms of what that may mean in a constitutional sense, it was argued by some people who came before the committee and who wrote to it that there may be constitutional difficulties for the federal parliament in passing this legislation and stepping over the Western Australian legislation. I put that question to one of the people who came before the committee in Perth, Mr Mark Cuomo, then representing the Aboriginal Legal Service. I asked him, a barrister, what his constitutional views were on whether or not this legislation would be valid if it were to be passed. He was cautious in his response. I do not mean to misquote him, but he said words to the effect of, ‘Well, we can’t be entirely certain, but I think it is worth a go because the legislation is so abhorrent.’ I would agree. Ultimately, I think every amendment, every bill, every piece of legislation that this chamber and the other house deals with is open to constitutional challenge. That is always the last port of call, as it were, and I do not think we should ever second-guess what the High Court may or may not determine in terms of a challenge.

As a Western Australian I am very conscious of the very real on-the-ground impact that the existence of these laws has and continues to have in my home state. I note an article in the *West Australian* of only 10 days ago, Friday, 1 March 2002, written by Julie Butler, which said:

A 17-YEAR-OLD who at the age of 12 was among the first and youngest offenders jailed under WA's three-strikes home burglary law is back behind bars.

The youth, who has racked up 94 charges since the age of 10—mainly burglary and stealing—wept yesterday when Children's Court president Kate O'Brien sentenced him to 18 months detention. Outside the court, his lawyer John Hawkins said the youth’s record showed mandatory sentencing did not work and was not a deterrent.

Under the three-strikes law, judges must sentence offenders to at least 12 months in jail once they are convicted of three home burglaries.

Last month, Judge O'Brien said the law had forced her to detain some juveniles she otherwise would not have. She said judges should have the discretion in all cases so justice could be done in all cases.

The article goes on to explain that the offences concerned were quite serious. It seems that the teenager was on an intensive supervision order for other offences, including stealing jewellery worth $5,000, when he committed the new offences last October, including causing some $600,000 worth of damage caused by fire to a Tom Price hardware store. But, more importantly, I think we should acknowledge that we are dealing with a kid who, from the age of 10, has been in serious trouble, and mandatory sentencing does not and cannot help him. We are dealing with far more serious systemic and structural problems in relation to children, particularly indigenous children. I join with the majority call, as it were, in the report for the continued condemnation of these laws, and advocate the repeal of them. I think the Commonwealth ought to step in and do so quickly.
In closing, I would like to express my thanks to the chair of the references committee, Senator McKiernan, and also to the tremendous staff who work for the Senate Legal and Constitutional References Committee, particularly Dr Pauline Moore who, as it happens, is finishing up in her role as the head of the secretariat which oversees this committee. She will be leaving Canberra for Sydney to take up a new job with the Human Rights and Equal Opportunity Commission. I wish her all the best in that new career.

Debate (on motion by Senator McGauran) adjourned.

BUDGET
Consideration by Legislation Committees
Additional Information
Senator McGauran (Victoria) (4.52 p.m.)—On behalf of the Chair of the Foreign Affairs, Defence and Trade Legislation Committee, Senator Sandy Macdonald, I present additional information received by the committee relating to hearings on the budget estimates for 2001-02.

COMMITTEES
Membership
The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—The President has received a letter from an Independent senator seeking variations to the membership of committees.

Senator Ian Macdonald (Queensland—Minister for Forestry and Conservation) (4.53 p.m.)—by leave—I move:

That Senator Murphy be appointed a participating member to all legislation and references committees.

Question agreed to.

REGIONAL FOREST AGREEMENTS BILL 2002
In Committee
Consideration resumed from 11 March.

The TEMPORARY CHAIRMAN (Senator Lightfoot)—The committee is considering amendment No. 4 on sheet 2432 revised, moved by Senator Brown. (Quorum formed)

Senator Brown (Tasmania) (4.56 p.m.)—Last night we were debating the regional forest agreement legislation which is before the chamber for the third or fourth time. It now appears it has the support of the Labor Party and the coalition and it will be passed, much to the favour of the woodchipping industry in Australia. The matter that came to the fore was whether the agreements are binding on the people who have signed up to them—namely, the Prime Minister and the government on the one hand and the state governments on the other.

During the course of his response to Senator Murphy about whether the agreements were binding, the minister said that yes, they are. I had put it to the committee that these agreements are binding when it comes to financial advantage for the woodchip corporations. The Commonwealth in the future would have to intervene to protect Australia’s wild forests and their wildlife, because most Australians want that to happen. The companies could then say, ‘That forest as a pile of woodchips would have been worth $10 million to us,’ and the Commonwealth would be bound to pay out compensation from taxpayers’ money, even though the companies had done nothing to earn it.

I will very shortly be moving amendments which are going to test the Labor Party, because the amendments say, ‘If you’re going to have this compensation clause which binds the Commonwealth in paying out to the woodchip corporations, let’s have a clause which binds the woodchip corporations to compensate workers who are sacked or to reskill workers who are sacked by those very same companies.’ We will get to that in a while.

Senator O’Brien—We will shortly.

Senator Brown—The Labor Party says we sure will—

Senator O’Brien—I said ‘shortly’.

Senator Brown—We will see how much they defend the workers’ interests when it gets to that. I think we will find that it is only the Greens doing that, because I note that the Democrats are not represented in the chamber again. They were not repre-
presented last night. This is a very important piece of legislation as far as the forest estate is concerned; in fact, there has never been a more critical piece of legislation in terms of the future of forests in Australia because this gives a lay-down misere to the woodchip industries in the undefended and unprotected forests of Australia. Yet the Democrats are totally absent from this debate. Let that be noted.

The minister indicated that not only was the Commonwealth bound to pay out to the corporations from taxpayers’ money if any forests are protected but the other side of the coin, the environmental side—that is, the establishment of comprehensive and adequate reserves and the protection of forests where that is required under regional forest agreements of state governments, who are then charged with that responsibility—is also binding. Last night, the minister said to Senator Murphy:

You inquired as to the legally binding nature of the agreements that have been entered into. I suppose all I need do is to refer you to part 3 of the agreements. I am assured that they all contain these same provisions, but the one I have in front of me is the one for the south-west forest region of Western Australia. In this agreement it is clause 94 in part 3. It may be a different clause in the other agreements, but I am advised that they are all there. They do say that it is the intention of the parties that this part creates legally enforceable rights and obligations. That part then deals with the comprehensive, adequate and representative reserve systems and ecological sustainability. So the amendment—that is, the Green amendment, which would make these agreements binding—is really not necessary and this is provided for as things stand.

That is on page 337 of Hansard. The fact is the East Gippsland Regional Forest Agreement contains no binding obligations at all, including not one for compensation. The Tasmanian Regional Forest Agreement includes a legally enforceable part 3, clause 92, which includes neither implementation of the CAR reserves—comprehensive and adequate reserves—nor ecologically sustainable forest management—the minister was wrong there again. It covers ISO 14,000 certification, which is a form of certifying the quality of logging, and publication of reports and reviews but not whether they take place when required. The West Australian RFA also includes a legally enforceable part, which the minister referred to—this does not include ecologically sustainable forest management. It does include implementation of a CAR reserve and certification and competition reviews. So the minister misled—I have no doubt that it was inadvertent; he is new to the portfolio and will not yet be right across it—the committee by saying that there were binding clauses in the RFAs, which bound the states to implement the reserves and then to engage in ecologically sustainable forest management. That is not so. I want to make sure that the committee knows that, because what the Green amendment is doing here is making the environmental aspects of the regional forest agreements binding on state governments as well as on the Commonwealth. Let me put this in short again: if it is good enough for this legislation to bind the Commonwealth to pay out taxpayers’ money to woodchip corporations when forests are protected, is it surely not good enough to bind the state governments to protect those forests which are to be in reserves and to engage in ecologically sustainable management in the forests?

Madam Temporary Chairman, you would know that ecologically sustainable management is a nonsense because what it refers to is so-called harvesting—a euphemism for total destruction of forest by corporations like Gunns, the biggest woodchippers in the Southern Hemisphere—under the direction of a malfunctioning and derelict Forestry Tasmania. As Senator Murphy said yesterday, one of these days Forestry Tasmania ought to be and will be subject to a thorough inquiry to ascertain why it does not meet its statutory obligations, why it does not return an overall profit when you take into account subsidies from the Tasmanian people and why it fails in sustainable management. The definition of sustainable management being used by the Liberal and Labor parties is one where the woodchippers move in under the direction of the state forestry authorities, chain saw these ancient forests and fire bomb them, killing all wildlife, all bird life and all reptiles. As I said last night, all you see rem-
nant in these totally destroyed and fire bombed forests is the occasional white snail shell which has been burnt in the holocaust but the calcium has survived the intense heat. Nothing else does.

The aim in Tasmania is to destroy totally the rainforest component so that it will not compete when, after the fire, Forestry Tasmania—not the woodchip corporations because they have this done at taxpayers’ expense—moves in and reseeds the area with attenuated, fast growing and very often foreign eucalypts to that area. The process after that in this ecologically sustainable management, which the minister talks about quite erroneously, is the placement of 1080 poison to kill any marsupials coming from adjacent forests onto the destroyed part of the forest to graze on the new seedlings. So it is an environmental holocaust, it is a total destruction of the ecosystems and the forests are never meant to grow again. By design, they will be cut down before they get to the size where they become habitat for larger marsupials, birds and bats. The euphemism of ‘harvesting’ goes on to the worst use of public relations design in this term ‘ecologically sustainable management’, which means total blitzing of the forest at the profit of the woodchip corporations, who in turn donate to the Labor Party and the Liberal Party.

I would like the minister to confirm what I have been saying about the definition of legal and binding components of the regional forest agreements, because a committee cannot function if it is being misinformed by the minister in the chair. In an important matter like this, an amendment was brought forward and a person other than the mover of the amendment—in this case, Senator Murphy—asked whether the other components and compensation to the corporations were binding. He was told that, yes, that was the case, and we have found that it was not the case. It is very important that the minister rectify that mistake. I give him the opportunity to do so now.

The TEMPORARY CHAIRMAN (Senator Crowley)—The question is that the amendment moved by Senator Brown be agreed to.

Senator BROWN—Temporary Chairman, I was on my feet.

The TEMPORARY CHAIRMAN—I am sorry, Senator, I thought you had sat down. You may continue.

Senator BROWN—I do not have to point out to you, Temporary Chairman, that what just happened was that no other member of the Senate rose to insist that the minister rectify a very dangerous process of misinforming the Senate last night. This is the Minister for Forestry and Conservation, Senator Macdonald. The senator should have got to his feet and responded, because I am making a very serious charge here. If we do not have correct information in a committee hearing like this, we cannot have the public faith that we are going to come to the right conclusion. When a minister for the Crown misleads a committee on an important matter like this—that the government is bound to do something when in fact it is not—then that is a mistake that should be notified to the Senate and it should not be left to a Green senator to challenge him on that. Then when he does not rise to defend himself or to alter the record, the Labor Party should at least get up and ask him to do so. But of course we are in this situation where they are arm in arm with the Howard government on this process of legally enforcing the destruction of Australia’s wild forests and wildlife. I do not have the Democrats’ backing in the Senate to do anything other than challenge the minister again. When I sit down this time the vote will be taken and there will be no further debate on this particular clause.

It appears that the minister is not going to contribute to this debate in any meaningful way, but last night he referred to the Western Australian Regional Forest Agreement and I ask him what the status of that is. We know that there were massive protests about it in Western Australia and that it was the Labor Party’s response to that public opposition to the destruction of forests in Western Australia that led to their election and indeed to five Greens being elected to the upper house in Western Australia at the start of last year. When the Western Australian Gallop government came in, it did say that it was going
to defend the forests. I would like to know from the minister if it is doing that.

It has come to my ears that some logging is again going to be allowed in the Sharpe block, which was a very pivotal block in that debate in Western Australia. Has the Gallop government reneged on its commitment to the people that won it the election? If not, what is the situation? As far as the regional forest agreement, which was effectively torpedoed by the strength of feeling of West Australians against it, is concerned, does it still exist and, if not, when and how was it withdrawn? If this bill passes, will that regional forest agreement in Western Australia be binding on the state? The minister has said that these agreements are binding. Is the agreement binding on Western Australia, because it seems that there is nothing much there to be bound? What are the processes that have been or will be used to amend the RFA to take into account that dramatic change that occurred when the Gallop government was elected and the Court government was rejected because of the regional forest agreement and other issues in Western Australia?

I ask the minister whether he supports the ALP policy of ending old-growth logging in Western Australia and, if he does not, what action is he taking to defend the regional forest agreement that was signed between Prime Minister Howard and then Premier Court in Western Australia? These are important questions that ought to be answered in a debate and, while the minister is having the opportunity to acquaint himself with the detail that he will need to give the Senate, I note that there are now just six senators in the chamber, Temporary Chairman Crowley, and I draw your attention to the state of the House, because 19 senators are needed to form a quorum. (Quorum formed)

The minister has misled the Senate and failed under challenge to account for that on a pivotal clause, a pivotal amendment, in this legislation. There are measures to deal with that but the correct form would be for the minister, who is not even listening to the debate at this time and is not even in his seat, to respond in a way which clears the air. The government is cavalier about this legislation.

The opposition is cavalier about it. The Democrats are not present at all. I take it extremely seriously, and so do most Australians.

I have been to blockades, peacefully run by young Australians, in all the states that are involved. I have seen all the opinion polls since the 1980s which show a great majority of Australians want these wild forests protected. We know that there is no need to be cutting them down because we have a two million hectare plantation establishment to meet all of Australia’s wood needs, for paper, for house building and for all other purposes.

Yet we have this unseemly business, whereby in the chamber right now the minister is ignoring the debate. There is no support to insist that he rectify the record when it has been manifestly pointed out by me that he misled the Senate on the matter last night. I am a lone senator for the Greens. It points out how much I look forward to the New South Wales Greens senator elect, Kerry Nettle, coming into this place, so that on occasions like this I can make the appropriate move, which would be to suspend this sitting and to report progress until the Senate gets a proper answer from the minister, who is treating this debate in such a cavalier fashion.

There have been few occasions in my career as a parliamentarian when an important, far-reaching amendment, like the one I have put before the committee, can be dismissed with such disdain by both the government and the Labor opposition—and dismissed by a minister misleading the Senate. There is nothing further I can do about that. I know the government is determined to shove this legislation through without the debate that it deserves. I said to the leader of the House earlier today that if the minister answers the questions then the debate will move on. There have been claims that this is a filibuster from me. It is not true. It is not a filibuster; it is a heartfelt effort to get answers from the government to justify this draconian legislation which institutes the destruction of Australia’s forests for the next 20 years and removes the minister’s powers, the government’s powers, the federal parliament’s powers—time honoured powers—to protect ar-
Last night the minister, quite wrongly, implied that I had been wrong in saying that the Weld, the Picton and the Huon valleys, which will be subject to logging in the wake of this legislation, were not of World Heritage value.

Senator O’Brien—They have been for 150 years.

Senator BROWN—Senator O’Brien, for the Labor Party in Tasmania, says that they have been for 150 years. I would ask him to go to the Weld Valley and point out the areas of the Weld that were being logged 150 years ago. He is quite wrong, and by interjection he reveals the lack of information he has about the history of this industry. The Weld Valley has been a pristine valley until the invasion of the woodchip industry in recent decades. In the last week, we have seen a dozen or so young people peacefully protesting about a new bridge to be built across the Weld River at taxpayers’ expense to increase the area of the lower valley that is to be destroyed by woodchip operations. Instead of supporting this future Australian outlook which says, ‘Let’s keep our natural heritage and our wildlife,’ the Labor Party says, ‘No, we hand across to the job shedding woodchip industry the short-term profits that will be exported out of Tasmania.’ Ninety per cent of those forests will go to the woodchippers, to the paper mills of Japan and China and not to the downstream processing which has been the so-called direction in which the regional forest agreements would take us.

The minister said that these areas are not of World Heritage value. Again, he is wrong. The World Heritage advisers—the chief advisers, the experts in Geneva, the World Conservation Union—have called for these areas to be included in the World Heritage area designated in Tasmania and nominated for World Heritage value because they are of World Heritage significance. But the reason they are not—they are going to be logged instead—is that the regional forest agreements give the woodchip corporations entry into these wild forests against public feeling and against the interests of the industries in Tasmania, which would treat these forests much better, and in which the number of jobs is increasing—the hospitality industry, the tourism industry. This industry attracts people to Tasmania because it has the cleanest air in the world; it has some of the purest waters anywhere in the world; it has some of the most intact wildlife systems in the world; it has the tallest hardwood forests, the tallest flowering plants on earth—and that latter entity is now subject to destruction because of this legislation.

That is why I stand here opposing it today—alone in this chamber at the moment, totally alone in this chamber, which is back to six members only taking part in this debate. I object to that and I draw attention to the state of the House. (Quorum formed) While the senators en masse leave the chamber again, so they will not take part in this debate, I will nevertheless continue.

I have just been acquainted with the news that in Goolengook in Victoria there has been another arrest today of a protester. I want to record, for those Victorians concerned about Goolengook, my heartfelt concern for what is happening there. You will know from listening to me before that this was an area of heritage reserve under the regional forest agreements and it was protected by state law. But the Kennett government reversed that law after they had arrested a number of people, including me, in 1998. The agreement had been signed with Prime Minister Howard that this area would be protected. But, without any statement or investigation or any concern at all, the Victorian government unilaterally removed half of the reserve—a thousand hectares—a prime heritage river forest including rainforest and a huge range of wildlife and wildlife habitat including that of the endangered quoll. But the federal government did nothing. The minister said last night that the federal requirements for sustainable logging and adequate reserves are binding but there we have a clear case where it was not binding and nothing was done by the Commonwealth.

This legislation is there for the interests of the corporations. It is not there for the workers and it is certainly not there for the Australian people’s primary interest, which is to keep these environments intact. Again, I should explain it so that it will be on the
Hansard record. We are down to six members in the Senate again. The obvious direction there by Labor and the Liberals is to prevent this debate continuing, because I cannot get to my feet again. There will be a vote after this and then we will move on to the next amendment. It is an appalling situation, an undemocratic situation, where the minister has not answered basic questions and has not even moved to correct his misleading of the chamber on his submission that this amendment is not required because they are not in the regional forest agreements. So be it.

The TEMPORARY CHAIRMAN (Senator Crowley)—The question is that the amendment moved by Senator Brown be agreed to.

Question negatived.

Senator Brown—I ask that my vote for the ayes be recorded.

The TEMPORARY CHAIRMAN—Senator Brown, your positive vote will be recorded.

Senator BROWN (Tasmania) (5.29 p.m.)—I move Australian Greens amendment (5), sheet 2432, revised:

(5) Clause 5, page 5 (after line 4), at the end of the clause, add:

(2) Provisions of an RFA expressed to be non-binding are binding in so far as they relate to protection of threatened species and communities, World Heritage, ecologically sustainable forest management, CAR reserves, monitoring and review.

The last amendment was to change the definition so that we did make the regional forest agreement provisions to protect the environment, weak as they might be, binding on the state governments effectively—but that has been negatived. What I am doing with this amendment is to put into the bill the teeth that would make binding the provisions, weak as they are, in the regional forest agreements that protect threatened and endangered species of plants and animals and birds so that they would actually be protected; that would enforce the protection of world heritage values; that would insist on ecologically sustainable management, which we are told is the cornerstone of the regional forest agreement system; that would insist that comprehensive and adequate reserves are in fact protected into the future and not logged—as we have seen on several occasions in Tasmania and which, as I just pointed out, is happening today under the force of the many police being brought out to defend the forest industry’s monetary interest in Goolengook against the public’s environmental interest; and that would insist on a monitoring system and a review system which reported back to this parliament that meant something. But instead of this the government and the opposition, and in their absence I must assume the Democrats—I will not assume anything for them except that they do not care much about this debate—are not going to make those matters binding which the woodchip corporations do not want to be bound by and which state governments who are into destroying these forests do not want to be bound by.

My amendment would insert also a provision to insist on the binding nature of an RFA in these words:

Sections of an RFA expressed to be non-binding—

and that is what happens in these RFAs; it actually says the environmental components are non-binding, notwithstanding what the minister said last night, it is there in black and white—

are binding in so far as they relate to protection of threatened species and communities, World Heritage, ecologically sustainable forest management, CAR reserves, monitoring and review.

Let me give you an example of why this should be so. There is in the Tarkine Wilderness in north-western Tasmania the biggest temperate rainforest in our nation. It is equal in size to any of the great tropical rainforests in the Daintree or further north in Queensland. It has a large heart of wilderness. It is named after the Tarkine people who were living on the west coast of Tasmania between the Arthur and the Pieman rivers before they were savagely dispossessed, brutally dispossessed, by the European invasion early in the 19th century. Inland from that were the Tommeginne people. There were tracks
through these great rainforests further into the interior of Tasmania. The indigenous people referred to the rainforest as the land of the dancing snakes. When you go into those rainforests you know you are in a primordial region of Australia, areas of which there is very little left on earth.

We in Western communities are aghast at the rate of loss of the Amazon and the destruction of Borneo rainforests and those of the Indonesian archipelago and the Cameroons in Africa. As you know, there has been worldwide alarm about that loss of rainforests and the wildlife within them. It is one of those things that sears the heart of youngsters in particular and is the reason for this generation’s lack of feeling that there is hope in the future, something that those of us who are older have never had to experience in our own time. It is a worldwide phenomenon. We all feel appalled by what is happening in the Amazon, but what is not generally known is that the rate, pro rata, of destruction of rainforest in Tasmania is greater. The rate of destruction of the great forests of Tasmania, hectare by hectare, is proportionately greater even than the destruction of native woodlands in Queensland. This legislation is a legal instrument to enforce that destruction so that it cannot be interfered with. It effectively reverses national park protection and says these will be logging domains—and the Tarkine will be amongst them.

During the summer break I sat at the Cann River near Burnie with the Pullinger family and a wide range of people from around Tasmania. There was a heartache in the air about what is about to happen to the Tarkine Wilderness, as they with their young hearts thought about how to get tracks into this region to show people the magnificent rainforest, the ferns and the clear pristine brooks running into the bigger rivers, the Arthur, the Franklin and the Pieman, and the cliffs, the geological formations and the caves—small as they might be, the most extensive magnetite cave systems on earth—and the fossil systems in there which turn up huge ancient insects. That is without going to the Aboriginal heritage right along that coast and through those forests. In this legislation we have a prescription for wholesale destruction of that rainforest, which has not been seen by the minister sitting there, Senator Ian Macdonald, who refuses to say anything at all. It has not been seen by the only other member of the government parties that is here listening to this debate. I dare say maybe Senator O’Brien from Tasmania has been out there; I do not know. He can contribute to the debate if he has. But the two Labor members have not been there either. I know that Senator Murphy, who is at a committee meeting at the moment and so is not here, has been and would be contributing to this debate about the appalling mismanagement in the Tarkine. Who else has been there? This Senate chamber and no doubt the House of Representatives is not about going to see these forests and determining on the ground what the impact is going to be. It is about legislating sight unseen to rip these forests down through the massive destruction power of modern machinery to line the pockets of Gunns Pty Ltd and Britton Brothers, maybe with, as I said earlier, over 90 per cent of these forests going to the woodchip mills and then through them to the paper mills of Japan and now China.

‘It is a good money spinner,’ said the minister last night. Is it? We now get $10 at most—it is down around $7 in many cases—for these forests, which have been growing for centuries in Tasmania. The woodchip corporations get about $100 a tonne for putting them through a woodchip mill and onto a ship. They get about a tenfold increase. The Japanese and Chinese paper mills put them through a mill and get over $1,000 a tonne—another tenfold increase. This is a hundredfold increase on what we get as a royalty in Tasmania. When you look at the statistics, you find that the woodchip companies are doing very well; they are getting a huge return for their small investment of putting in a woodchip mill here or there. But Forestry Tasmania, mismanaged grossly under the Bacon Labor government, is effectively running at a loss. If you take into account the subsidies, including the $80 million in these regional forest agreements being put into the industry, we are actually paying to have these great
forests, including the rainforest of the Tarkine, cut down and shipped out.

At that meeting at Cann River, the discussion was about getting a track so that Australians could get in there to see these great forests; experience a few nights out in the forest; listen to the owls at night; watch the storms coming through from the wild west coast; hear the scamper of the doomed marsupials on the floor; and see the bats, which are also doomed, as they fly at sunset, in the start of the night’s foraging. They are particularly worried about the pipeline track. That is a track running alongside the pipeline which takes the iron ore pellets from Savage River on the Pieman system to the south through the rainforest on the eastern edge to Port Latta in the north. Britton Brothers, Forestry Tasmania and Gunns are all in favour of going down that corridor and logging this pristine rainforest for 200 metres on either side and for the full length of it, length to length. This is ostensibly to get rainforest timbers out for them to sell. If you go to the Burnie wharf, there is a pile of rainforest woodchips there bigger than this Senate chamber. A bulldozer working around on the top looks like a toy car. That is rainforest already smashed down by these same entities and carted off to be sold as woodchips to Japan. It is not for value added; it is value lost to Tasmania. And that is what they will primarily do with this corridor.

I was speaking to Stephanie Cahalan in my office in Hobart. She has been down to other rainforests in Tasmania which have been cut in the last few months, and she told me about the prodigious waste of myrtle, celery-top, sassafras—these valuable timbers which are left in their tonnes on the forest floor by this wasteful and marauding woodchip industry and which very likely are going to be firebombed in the coming week. Forestry Tasmania wanted to firebomb this area a month ago, but it was not dry enough. There is a spell of warmer, drier weather in Tasmania at the moment, so it will be in to firebomb those remnant rainforests. What happens there is that a helicopter appears over the destroyed forest with these vast amounts of still malleable, valuable timbers on the floor and drops hundreds or thousands of ping-pong balls—that is literally ping-pong balls—filled with an explosive, napalm like material which then bursts into a firestorm. This destroys everything that is left—every green leaf that is left in those coupes and those valuable rainforest timbers—and then along come the same companies and the same Forestry Tasmania who perpetrated this crime against nature, this economic malfeasance, this total rorting and mismanagement of a valuable resource and say, ‘We want more rainforest, so we want to cut the pipeline track.’

The minister himself, if he had the gumption to get up and speak after me, will say, ‘What can I do about it? I do not have powers.’ This legislation that he wants rushed through here, which I am determined is going to be debated adequately, divests the Commonwealth of powers to intervene. It has had them in the past. The Commonwealth, you will remember, protected the Daintree against a ferocious Bjelke-Petersen government in Queensland. It protected some of the south-west forests in Tasmania, including the Lemonthyme Forest near Cradle Mountain in 1989, with the Greens then holding the balance of power and a Labor government that wanted government so was prepared to go along with it. But Commonwealth intervention was necessary there, and World Heritage nomination followed. Those powers to protect World Heritage value forests and protect the extraordinarily diverse and ancient forests, like those along the pipeline track, which have never seen a chainsaw before, are going to be divested from the Commonwealth under this legislation. (Time expired)

Senator O’BRIEN (Tasmania) (5.44 p.m.)—The opposition will not be supporting this amendment. The provision that Senator Brown seeks to amend reads:

This Act binds the Crown in right of the Commonwealth.

The provision which Senator Brown seeks to have the Senate include seeks to vary agreements between the Commonwealth and the states by virtue of a provision in the legislation which would purport to have an effect which, in our view, is unnecessary. The RFAs, to be RFAs under this legislation, as I
said before, must be agreements that satisfy certain conditions, including that they provide for comprehensive, adequate and representative reserve systems; they provide for ecologically sustainable management and use of forested areas in the region or regions; they have regard to assessments of environmental values, including old-growth, wilderness, endangered species, national estate values and World Heritage values; they have regard to indigenous heritage values; they have regard to economic values of forested areas and forest industries; they have regard to social values, including community needs; and they have regard to the principles of ecologically sustainable management. It is the opposition’s view that it is not appropriate to amend the legislation to purport to alter the terms of an agreement reached between the Commonwealth and the state in this regard if it meets the tests that have been laid down in determining just what is an agreement which is covered by this legislation. So we will not be supporting this amendment.

It is interesting that, so far in the debate of this legislation, we have established that when Senator Brown talked about protecting the Weld Valley in Tasmania he chose not to tell the Senate that, in fact, about 80 per cent of it was already protected and will never be logged and that most of the old-growth forest that remains in the Weld Valley is in that 80 per cent of the area that is protected and will never be logged. But Senator Brown chose not to say that. He suggested that there is something pristine about a catchment the remnant of which is available to be logged substantially having already been subject to timber harvesting. He neglected to say that part of the area that is available to be logged will be managed on the basis of special timber management, with a very long-term harvesting regime—that is, selective harvesting over the long term for specialty timbers. We have become accustomed to needing to put all the facts on the record so that the public do hear what is the whole truth in relation to any particular matter.

He referred to the Weld Valley, the Picton Valley and the Huon Valley. I have the map of that region. A huge amount of the region—I am not going to try and estimate how much—is in formal reserves, be it state park or World Heritage areas, and the overwhelming majority of old-growth forest in those catchments lies in reserves. There are reserves which are in formal reserves in addition to those that I have just described which would form streamside reserves or special forest category reserves that lie outside of the formal reserves areas that will also not be logged, in accordance with the regional forest agreements. Most of the areas that remain available for harvesting are not old-growth forests but regrowth forests. Most of the areas in that catchment are regrowth forests. Senators may have heard about some terrible vandalism that was practised upon a logging coupe in the area. I am, I think, reliably informed that that operation was being carried out in a regrowth area, not an old-growth area, but millions of dollars of damage was done to equipment in that area.

I know that Senator Brown and Ms Putt, who is the Greens representative in the Tasmanian parliament, have protested that environmentalists were not responsible for that vandalism. I certainly hope it is true. It has been suggested to me that there was a link on the Wilderness Society’s site in Tasmania to an English web site which operates under the name Ozymandias. It is a 12-page site and it says:

Cafe Underground presents:
Ozymandias’ Sabotage Handbook
And it starts:
This guide is not really about ‘noble’ sabotage—for example people clamping themselves to diggers on road projects. It’s about taking action against the everyday destruction of the environment ... Specifically, it’s about sabotaging machinery, and getting away with it.

It then has a number of suggestions as to how best one might sabotage vehicles and heavy machinery designed to be used in a logging coupe. If it is true that this was connected with the Wilderness Society’s web site in Tasmania, then someone ought to explain to the Australian public why the Wilderness Society would, by virtue of establishing that link, encourage people to practise sabotage on forestry machinery in Tasmanian forests. It seems to me that, if that is the case,
it makes it very difficult for people to argue that there is not a case, on the face of it, that environmentalists—perhaps not mainstream environmentalists but someone connected with the environment movement—were responsible for that damage. I am interested in that debate and I am sure we will hear more about it over time.

What we have also established in this debate is that well over 60 per cent of old-growth forests in the state of Tasmania, in fact nationally, are protected under regional forest agreements. In fact, in Tasmania the public forest area which will not be logged, which is protected, contains 85 per cent of the old-growth forest that is available in public forest areas. In other words, only 15 per cent of the state’s old-growth forest available for logging is in public forests. We have also heard in this debate that tens of thousands of hectares of private land is being included in a reserve system and much of that includes old-growth forest. Those tens of thousands of hectares will also never be logged. So the facts contrast somewhat with the rhetoric that Senator Brown puts on the record today.

The other matter which is of concern is that Senator Brown claimed in the debate yesterday that World Heritage forest had been logged. Although challenged, he has chosen not to substantiate his claim. So I look forward to Senator Brown telling us in the debate which old-growth forest in a World Heritage area was the subject of logging. I am not aware of it, but I am sure, if he has got some facts, he can acquaint us with which particular forest he claims lies in a World Heritage area and has been logged. I would like to hear that, I know the minister would like to hear that and I am sure the Australian people would like to hear that. When we know which particular forest is alleged to have been logged, we can make our inquiries, and if there is something to be addressed in that regard then the opposition, and I hope the government, would wish to attend to what would be an improper practice. That is not a practice which would be supported in any way by this legislation. This bill does not entitle any operator to conduct a forestry operation in a World Heritage area. Indeed, an amendment to the 2001 bill that now appears in this legislation—which follows an amendment the opposition had been proposing to the bill we were discussing last year—makes it very clear that World Heritage areas and Ramsar wetlands are protected in terms of forestry operations. So I am glad to say that the opposition have had an influence in improving the legislation. Obviously, that aspect of the legislation we would support. We were proposing to move our own amendment but have been advised that it would simply duplicate the provision already in the legislation.

I think this debate allows us to talk about what this legislation will do and to talk in terms of fact. I am happy for the debate to proceed on that basis. I do not think that we are being assisted by the suggestion that areas such as the Weld Valley have never been logged before. I know that there have been operations in the Weld Valley over a period of time. They certainly would not have been, 100-odd years ago, as extensive as they would be now with modern access, but I do not believe that it is true to say that there were no forestry operations ever in the Weld Valley, as Senator Brown suggests. We can banter to and fro about who was right and who was wrong about that; the fact of the matter is that the Weld Valley is substantially protected. It is protected under this bill and, we think appropriately so, an RFA would allow harvesting in a very limited area of that valley, mostly in areas that are regrowth forest that have been subject to forestry operations before. We think that that meets all of the tests set down under this legislation.

Senator IAN MACDONALD (Queensland—Minister for Forestry and Conservation) (5.56 p.m.)—The government will not be supporting this amendment for a number of reasons, several of which have already been mentioned by Senator O’Brien in speaking for the opposition. Certainly, those reasons are relevant from the government’s point of view as well, and I will not reiterate those in the hope that we can save some time in this debate. Apart from that, the amendment is nonsensical as it relates to a technical reading of this bill. This bill, when it be-
comes an act, will bind the Crown and the right of the Commonwealth; that is all it can do, of course, as Commonwealth legislation.

I also share the view previously put by Senator O’Brien that it is important to debate these issues of national importance such as regional forest agreements and the management of our forestry generally. But the basis of debate on this bill, as in any debate on any bill in this chamber, must be factual, not on a basis which is deliberately misleading with some senators—I should say only one—deliberately putting up false information and facts in a very emotive way to try to pursue a political objective that that particular senator has. It is the sort of thing that anarchists or Marxists of the old school would do to try to inhibit and thwart the will of the parliament of the people of Australia. That sort of action is exemplified by the continual calling of quorums; when a senator is trying to speak a quorum will be called simply to interfere with the debate.

Senator Brown—Madam Temporary Chairman, I raise a point of order. I object to the minister’s comments. The minister has quite clearly allied me to anarchists and Marxists. I have a Presbyterian background and I want that put on the record as well.

The TEMPORARY CHAIRMAN (Senator Crowley)—I am not at all sure under what piece of parliamentary procedure that was. I think it is not a point of order, but you have made your point.

Senator IAN MACDONALD—He also identifies himself, I would suggest; I did not. It is the sort of activity and behaviour that we have from certain people in this chamber who simply thwart the will of parliament and thwart the will of the people. We must work on facts. On a couple of occasions last night, Senator Brown said directly, and implied in other areas, that we were logging in World Heritage listed forests. I have challenged him to name those forests, because, if there is logging in World Heritage listed forests, I want to know straightaway—and I know the environment minister wants to know straightaway too, because action will be taken. To my understanding, there has been no logging in World Heritage listed forests since they have been listed. If you have that information, Senator Brown, please give it to us. But you do not have the information. You just say these things in the hope that someone might hear you and be enthused, by your misrepresentation of the facts, to your view on these issues. (Quorum formed) In the way of anarchists, Marxists—and I can even add fascists to that—what you do is to stop free speech. You do not allow people to have a point of view.

Senator Brown—Mr Temporary Chairman, did you make a count of that quorum?

The TEMPORARY CHAIRMAN (Senator Lightfoot)—Yes.

Senator IAN MACDONALD—It is an old trick of fascists, anarchists and Marxists to make sure that the other voice is not heard. (Quorum formed) You stop any opportunity for others to raise their voices and to have a view. You see that sort of attitude being exhibited in this debate. If one senator does not like what you are saying, they will try to prevent you from saying it. That is what Hitler used to do; that is what Lenin used to do; and that is what fascists, anarchists and Marxists all around the world used to do.

Senator Brown—Mr Temporary Chairman, I raise a point of order. I think even you, Chair, should stop that sort of invective against a member of this chamber. I act honourably in this place. I am concerned about this matter. I will not sit and allow that sort of accusation to be made against me in this place. I ask you to have the minister withdraw.

Senator Herron—Mr Temporary Chairman, on the point of order: there was an implied aspersion on the chair. Senator Brown said ‘even you’, and I would ask him to withdraw that aspersion on the chair.

The TEMPORARY CHAIRMAN—I did not hear comments made by Senator Macdonald being directed to any particular person in the chamber, Senator Brown. Therefore, I dismiss your point of order.

Senator Brown—Mr Temporary Chairman, I raise a point of order. I notify you that I will ask for a ruling from the President on this matter, because I object.
The TEMPORARY CHAIRMAN—I will draw it to the Deputy President’s attention.

Senator IAN MACDONALD—So that there can be no misunderstanding, I say again that it was the fascists, the anarchists and the Marxists who did everything possible to prevent a different opinion being held. When someone would get up to give a different opinion and put facts on the table—not just misinformation, not just deliberate or unintentional wrongly produced statements; you get up to correct those—in totalitarian regimes, those regimes would do everything possible to make sure that the truth was not known and not heard, and to make sure that the real facts were not heard.

I feel like that in this particular instance where I am attempting to tell those who are interested in this debate and those who might be listening on the radio what the real facts are. Every time I get onto the real facts of the issue, and when I point out the inconsistencies and wrong factual information displayed and spoken by Senator Brown, a quorum is called. For those who do not understand this place, you call a quorum when there are not enough senators in the chamber. That happens because most senators are doing substantial work in other parts of Parliament House. They are seeing constituents, they are seeing groups, they are working on committees and they are working on the very important work that they have to do as senators.

Senator Ian Campbell—People pay thousands of dollars to come here to see us from Western Australia.

Senator IAN MACDONALD—Indeed, Senator Campbell makes a very good point: there are groups that come from all over Australia to see senators, and those senators are in their offices doing that work—but watching and listening to the debate on TV so that they are well aware of what is happening and they will know how to make an informed vote when they have to vote.

In this debate, we have had Senator Brown simply saying things that are not true, such as: we are logging in World Heritage listed forests. I have asked him to tell me which forests they are, but I have no answer, because it does not suit Senator Brown to tell the truth. He knows there is no logging in World Heritage listed forests, but he keeps saying it in the hope that someone will listen to it, someone will hear it and someone might come to his point of view on the environment generally. He has also said that, through this legislation, the government and the parliament divest themselves of any power in the forest debate. This is simply untrue. This legislation is all about making sure that the agreements that the Commonwealth and others have made are, in fact, given legislative sanction.

Senator O’Brien has already pointed out, on several occasions, the misinformation Senator Brown gives about the Weld Valley. I join Senator O’Brien in despairing that the livelihoods of families, workers and small businessmen are being destroyed in the forests by criminals who are out there destroying machinery. I do not accuse Senator Brown of being involved in that or of having any association with that, but I see him speaking in the paper denying that it is him. One might think that his denials can be read a certain way.

Senator Brown talks about a lot of the old-growth forests and a lot of very special trees being logged, but he knows as well as we all do that each RFA provides for the establishment of a comprehensive, adequate and representative reserve system based on nationally agreed criteria. The CAR reserve system is a precautionary approach to forest management, and it ensures that state and Commonwealth governments can be satisfied that they have adequately preserved forest ecosystems in their natural state, free from human impact.

The nationally agreed criteria are 15 per cent of pre-1750 distribution of each forest type, 60 per cent of existing old-growth forests—100 per cent if rare or depleted—and 90 per cent of high-quality wilderness forest. This level of protection is at the forefront of international standards. The level of forest preservation in Australia greatly exceeds—all accounts—the levels set out by the International Union for the Conservation of Nature, the IUCN, which Senator Brown is always quoting.
Our standards in Australia are higher than the IUCN standards. They are higher than the World Wide Fund for Nature requirements of 10 per cent of existing distribution of forest. While the IUCN reserve criteria are based on the existing distribution of forests, the CAR nationally agreed criteria are based on the distribution of forest pre-1750. Australia’s forest reserve system is, as a result of the RFA process, well in excess of IUCN and WWF standards. To hear Senator Brown speak, you would never believe that, but these are the facts; this is the truth. These are the sort of truths and facts that Senator Brown tries to prevent me from repeating in this chamber by continually calling quorums and trying to thwart the will of the people.

My time in this session of the debate is almost finished. Unfortunately, I have to leave the debate at this time. My position will be taken by Senator Alston, who has a long and very involved interest in the forest debate. I should explain to the Senate that I have to leave to go to the very first cabinet sustainable environment committee meeting, which is being held at this time—a first for any government in Australia. The Howard government has set up a special cabinet sustainable environment subcommittee. I have to go to that because it is very important. It is very important that issues like those we are debating here are dealt with by the sustainable environment committee. That is why I will not be here for the next quarter of an hour of this debate. But Senator Alston, who as I said has a very acute understanding of these issues, will more than adequately fill in for me and be able to assist the committee in its deliberations.

The work that has been done—the jobs that have been created by the RFA and the sensible and sustainable management of the forests that has occurred as a result of the management by the Howard government and, I have to say, perhaps with some hesitation, the previous Commonwealth government and even the state Labor government in Tasmania—is a credit to all concerned. The forests are managed sustainably and well. Jobs are created and certainty is created for people. Forests are very important—that is why we have this legislation—but equally important are people and their livelihoods. Jobs have been created for people so that they are able to sustain their families, there is security for investment and there is certainty for conservation reserves to ensure that our forests are conserved in a way that is adequate, comprehensive and representative.

Senator BROWN (Tasmania) (6.16 p.m.)—When I hear that sort of contribution to the debate, which followed an equal one from Senator O’Brien, I am proud to be here as an Australian Green defending the long-term interests of the environment in this great nation of ours and, on this occasion, defending what is by far the popular view in this country that these forests should be protected. The minister may be going to what is labelled—in the greenwash way this government has—the ‘ecologically sustainable management of the country’ committee, but I think the citizenry of Australia is very quickly realising that this government is very capable of misleading it in grand order. The citizenry of Australia, particularly young Australians, are not going to accept that a government which is orchestrating the greatest destruction of forests in history, supported by the Crean opposition, is into sustainable management.

Senator O’Brien said in his contribution that the Wilderness Society was linked to a group that was putting forward sabotage literature. That was tried last week in Tasmania by the logging industry—which seems to inform Senator O’Brien in his debate all the way down the line. In fact, I understand that the Examiner newspaper, which takes a very strong pro-woodchip line in Launceston, was going to run that story last week. The Examiner withdrew it when it was pointed out that the link—which is a series of links from the Wilderness Society, which the person I asked to try to emulate it could not—to this group was no closer than the link from the Examiner newspaper to this group. I have no doubt that, if Senator O’Brien has a web site, the link would be no closer than the link from him to this group, from the Labor Party to this group and from the Liberal Party to this group.

What a tawdry, mean and despicable contribution from those who do not want to en-
logging: the grotesque and skyrocketing volume of the harvest, the staggering percentage consigned to ‘waste’, i.e. woodchips (now over 95%), the still rising percentage of the harvest coming from native forest (nearly 90%), the plummeting employment in forestry since the RFA (down 47% by June 2001), and the net financial loss to the public owners of the forests.

Your refusal—

he is addressing this to Senator O’Brien—

to address any of the realities of Tasmanian logging, and your vocal opposition to any Senate or judicial inquiries into this industry, inevitably give rise to the perception that you are seeking to obfuscate and mislead for motives that are illegitimate.

The RFA bill coming up before Parliament—

here we are debating it tonight—

will indemnify the logging industry against retrieval of any part of the nearly one-quarter of Tasmania they have been handed by the RFA (there are no restrictions on their acquisition and clearing of private land). The conduct of the industry in Tasmania, and the manner of your defence of it leads inexorably to the conclusion that this is a massive, politically sanctioned looting of a public resource under the guise of “resource security”.

I am asking you for the first direct defence I will have ever seen to the sort of realities described below. Please do not follow the usual pattern of attaching your name to the evasive spin supplied by Forestry Tasmania. Since I realise that you do not have time to respond in detail to all the correspondence you receive, I undertake to forward your reply to the co-addressees, who collectively have the capacity to carry your message (or lack of it) to the entire country and beyond. There can be few more opportune times to define the Labor Party as a real alternative to the Liberals in terms of integrity.

Mr Haywood goes on to say:

Since the signing of the Regional Forest Agreement in 1997, Tasmania has undergone the most intensive logging in the developed world.

In 1999–2000 logging alone accounted for 35,100 hectares of forest in the state, a rate of native bush clearing which in percentage terms is twice that of the 425,000 hectares of bush cleared for all purposes in Queensland, and also exceeds the clearing rate of Brazil. In 2000–01 that figure increased yet again, this time by 20%, to over 42,000 hectares, with the amount logged on public land increasing by 34%. Tasmania has no legislation controlling such clearing. UN statistics released in 2001 reveal that Australia has the sec-
ond worst level of land clearing in the Commonwealth, trailing only Zambia.

In this letter to Senator O’Brien, the Labor spokesperson for Opposition Leader Crean, Mr Haywood, goes on to say:

Records were set for volumes of logs removed every quarter last year.
That is in Tasmania. He continues:

In 1999-2000, with less than 0.9% of Australia’s land area, Tasmania contributed 5.5 million tonnes, or over 80%, of Australia’s 7 million tonnes of export woodchips (volume of logs milled that year declined more than 6%).

So woodchips up; sawlogging, which is where the jobs are, down. He continues:

This constituted 95% of Australia’s hardwood (native forest) chips, but we still trail Queensland in the production of the vastly more valuable hardwood sawn timber.

Queensland has got no export woodchips but is producing more sawlogs than Tasmania, which is contributing the massive majority of woodchips being exported. Mr Haywood’s letter continues:

Gunns Ltd, the dominant woodchipper, boasted in its prospectus that Tasmania has overtaken the entire Southern US to become the largest regional producer of hardwood chips in the world. The figure for 2000-01 could be extrapolated from the increase in area logged at about 6.6 million tonnes, but the actual tonnages are no longer available. Due to its control of at least 85% of the export woodchip market, Gunns Ltd—which is centred in Launceston but exports its profits to the mainland—has exercised its right to suppress the figures from Australian Bureau of Statistics publications on business confidentiality grounds.

Can you believe that! Mr Haywood continues:

Forestry Tasmania’s 2000-01 annual report showed a 34% increase in the area of public native forest cleared along with a virtually identical 34% decrease in the public dividend from Forestry Tasmania’s operations—about $2 per tonne before any deductions for environmental, infrastructural and other collateral damage.

In this letter to Senator O’Brien, who will no doubt respond to the chamber, though he has not had the wherewithal to respond to this very literate and informed Tasmanian supplicant, Mr Haywood goes on to say:

A stupendously wasteful 94% of all logs felled were chipped in 1999-2000, with a 7.5% drop in sawmill volumes for 2000-01 suggesting the woodchip or ‘waste’ figure is now above 95%. When one considers that 50-60% or more of trees could be milled in any reasonable attempt to maximise efficiency and that sawn timber is worth from 5-20 times as much as chips, the multibillion dollar scale of the waste begins to be appreciated. The woodchip price has fallen about 25% in value, to about $72 per tonne, since the RFA was signed; prime sawn timber can fetch $1500 for the same weight. Numerous cases have been observed of valuable rainforest hardwoods such as myrtle, sassafras, musk and celery-top pine being simply heaped and burned on the forest floor to make way for pulpwood plantations.

What a devastating indictment of this industry Mr Haywood’s letter is. What a remarkable thing that Senator O’Brien, who stands here defending this indefensible industry, will not answer a letter like this. How much it feeds into the view, widely held in Tasmania, that the Labor and Liberal parties are held captive by the big woodchip corporations and have lost contact with the public sentiment, which is aghast at the rapidly increasing destruction of Tasmania’s forest.

Mr Haywood goes on to make many more compelling points to Senator O’Brien. I will leave it there but I will return to this letter when we resume this debate, because I think it must be on the record. The opportunity for Senator O’Brien and opposition leader Crean through Senator O’Brien to respond to this extraordinarily informed letter must be afforded.

Progress reported.

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

GOVERNOR-GENERAL’S SPEECH

Debate resumed from 14 February, on motion by Senator Gibson:
That the following Address-in-Reply be agreed to:
To His Excellency the Governor-General
MAY IT PLEASE YOUR EXCELLENCY—

We, the Senate of the Commonwealth of Australia in Parliament assembled, desire to express our loyalty to our Most Gracious Sovereign and to thank Your Excellency for the speech which you have been pleased to address to Parliament.
upon which Senator Stott Despoja had moved by way of amendment:

That the following words be added to the address-in-reply:

“, but the Senate is of the opinion that:

(a) the Government must move towards a more humane and workable approach to asylum seekers; and

(b) Woomera detention centre should be closed”.

Senator SCHACHT (South Australia) (7.30 p.m.)—I continue my remarks from 14 February 2002 when I commented on how inappropriate and archaic the process of the Governor-General’s speech in the Senate is for the government to outline its legislative program for the next three years. I believe it would be much more appropriate for the Prime Minister of a newly elected government to address a joint sitting of the House of Representatives and the Senate, either in the House, here in the Senate or even in the Great Hall of Parliament House, than to follow the tradition we have derived from 12th century Britain.

I now want to talk about the last federal election result. If I have time, I may make some passing remarks about the recent South Australian election result. Obviously, we were all very disappointed on the Labor side that we did not win the last election. I admit my own personal disappointment on not being elected as part of the Labor Party team from South Australia for the Senate, but my disappointment is much greater that the Labor Party itself was not elected to government and that we have to put up with another three years of conservative Howard government rule. If the Governor-General’s speech—which, in fact, is the government’s speech—is any indication, this government has no vision at all for the next three years. It is catch-as-catch-can, with a few issues to create division in the community. In the overall election result, the Labor Party cannot ignore the fact that our first preference vote dropped nationally to approximately 37 per cent—it went down two per cent. In my state of South Australia, our first preference vote dropped again down to about 33.6 per cent and the two-party preferred was around 46 per cent of the vote.

I have no doubt that the psychological impact on the South Australian community in the early 1990s of the collapse of the State Bank was detrimental to the Labor Party vote. It is now over a decade and five or six premiers since the State Bank collapsed. Since then we have had John Bannon, Lynn Arnold, Dean Brown, John Olsen, John Kerin—sorry, Rob Kerin; the Liberals kept printing his name wrongly in the election campaign and I keep calling him ‘John Kerin’ because that is what they called him in one of their ads—and now Mike Rann. The impact of that on the Labor Party in South Australia, at federal and state level, is still so low.

I have to admit that, as a Labor Party person for all my adult life in South Australia and as a former state secretary, the South Australian election results are disturbing for the Labor Party. In state and federal elections in South Australia, even including the recent state election in February, the Labor Party has not received a majority first preference vote since the 1987 double dissolution. Also, it has not received a two-party preferred majority vote in South Australia since that election. I point out to Senator Kemp that the last time we got the majority vote was in the last election campaign that I ran in South Australia as state secretary—nearly 15 years since we got a majority vote, and by the time of the next federal election in 2004 it will be 17 years. I hope that at the next election we will be able to achieve a majority first preference vote and a majority two-party preferred vote. The reason we hold only three out of the 12 federal seats in South Australia is that our primary vote is too low and our two-party preferred vote is too low. The seats which we should hold and which we held for much of the last century—federal seats like Adelaide, Makin and Hindmarsh—we are not able to win when we have a vote that low. There are a number of broad issues on which people will speculate about why the Labor vote in South Australia, at federal and state level, is still so low.
Also, in recent years, the Labor Party has not been as strong as it should have been in going out to the community and seeking new support as far as party members are concerned. Only recently I was told that party membership in South Australia is now down to 2,900. That is a very low level of membership. I also point out that, since the last federal election, across Australia, membership of the Labor Party is 30,000 to 40,000 or maybe a little over 40,000. The Adelaide Crows have more members than the Labor Party across Australia. Before the Liberal Party gets too enthusiastic about pointing out that—as I am—that is a low membership, I do not think the membership of the Liberal Party is any better across Australia than membership of the Labor Party. It is a major problem for all political parties which want to govern this country that their base membership is now so low, that people are not joining and are not willing to make the commitment as citizens to be active in their party. Unless we turn that around, the major parties will continue to lose first preference support and will continue to have problems about how they reflect the views of the broad Australian society.

It is imperative that the Labor Party builds a broad national membership of at least 100,000 to 150,000 members across Australia—not because they have been stacked in for factional reasons but because they genuinely want to join and participate in the party. It is exactly the same in South Australia. One of the disturbing features of the federal election result in South Australia and the recent state election result, and one reason we are getting a first preference vote in the mid-thirties, is that our vote in non-metropolitan South Australia—in rural areas—has declined so badly. At the last state election in some seats the Labor Party’s first preference vote barely got to 10 per cent. Twenty-five years ago we used to hold one of those seats, the seat of Chaffey. Our vote there is now down to about 10 per cent. The Labor Party in South Australia has a major challenge to build up its base vote in rural South Australia so that we offer a genuine alternative to people in those areas who are dissatisfied with Liberal or National Party policies. But we are not attracting those in South Australia and that is one reason that our vote is so low.

After an election everyone has got a theory about why you lost and there are recriminations. Everybody on the winning side thinks that they are a genius and that they were the ones who won the election. I believe that parties often win elections despite their campaigns and sometimes parties lose after very good campaigns. As a former party secretary I came to that observation a long time ago. During the last election campaign Kim Beazley and the Labor Party out-campaigned John Howard. We won the debate, we had better television ads and we had better presentation of our policies right throughout the campaign. Every day, with one or two exceptions, Kim Beazley won the election campaign. He won the election night news, in my view. But there was a wider—unfortunately, a nastier—issue rolling around in the community that meant that much of that was irrelevant.

After the comprehensive defeat that John Howard suffered in the debate at the beginning of the campaign, one would have thought that there would have been a downward spiral for the Liberal Party, but there was not, because people were not interested in the debate or its content; they were only interested in the broader issues of the asylum seekers and international security and the associated leadership that supposedly came from that. With the wisdom of hindsight, I think the Labor Party should have released some of its policies earlier, particularly the very attractive policy of the GST roll-back measures to take the GST off electricity and gas. If that policy had been announced earlier, before the election campaign had time to sink in to the electorate, we would have had more support.

One of the things that the election campaign comprehensively proved we should take no notice of at the next federal election is the so-called Charter of Budget Honesty. This has become a mockery. At the last election we saw the way in which the Treasurer, Mr Costello, tried to use the Charter Of Budget Honesty to delay the provision of figures on the outcome of the budget and the extraordinary step he took of announcing the
quarterly growth figures the day before the Charter Of Budget Honesty so that he could gazump anything that Treasury might have to say. Right to the very end it was clear that he, as Treasurer, was going to take no notice of the Charter Of Budget Honesty, of costing seriously and effectively the policies of the Liberal Party. All he said to the Labor Party was, ‘You have to do yours but we are not going to worry about ours.’

I say to Simon Crean and the Labor Party that they should not worry about the Charter Of Budget Honesty. It is a mockery. At the next election, we should announce our policies and what the costs are when we are ready. We should not worry about what the Charter of Budget Honesty is going to be, because it is being fixed, it is being abused for political purposes by this Treasurer, and any future Liberal Treasurer. If the Labor Party can be accused of anything, it is naivety in saying that we would not release all our policies until we knew what the Charter of Budget Honesty was. We then found that the Treasurer had gazumped his own Charter of Budget Honesty, his own legislation. The lesson is there for the Labor Party to say, ‘At the next election we are not going to worry about that. We will put our own costings out, we will have them independently audited and we will announce them to the public. We will not worry about what Mr Costello, or whoever the Treasurer is then, or Treasury say.’

The Charter Of Budget Honesty and the way it has been used is a politicisation of Treasury, just as this government, in a number of areas, has politicised the use of the Public Service.

We had the extraordinary unravelling in recent weeks of how the Prime Minister and the former defence minister politicised the Defence Force. Finally, in the most humiliating sight ever seen in the defence forces, the Chief of the Defence Force, who had stuck loyally to Mr Howard right to the end—even making himself look like a goose in estimates committee hearings—had to call a press conference and admit that he had got it wrong. That is a terrible politicisation of our Defence Force and it should never happen again. The Prime Minister and the former defence minister, Mr Reith, must take the blame for what they have done to the Australian Defence Force for their own political ends.

We have also had in recent days the awful spectacle of Mr Fahey, Mr Reith and Mr Wooldridge, having left their ministerial jobs, retiring, and then going and getting jobs as lobbyists for the very firms they worked with when they were ministers. Mr Reith is to go to Tennex. He knows all about the forthcoming contracts for Defence purchases. One of the biggest suppliers will be that great Australian company Tennex. It is a conflict of interest for him to go and take that job. Mr Wooldridge was exposed as having taken $5 million out of asthma treatment programs for kids and giving it to one of the medical lobby groups so that they could build a new headquarters, and he has been appointed as their consultant. Again, that is a complete conflict of interest and contradiction.

The Labor Party has quite rightly announced that, when you have ministers who treat the Australian people and any sense of ethical propriety so badly, the law must be changed. When ministers leave the parliament there must be some time elapse before they can get jobs relating to their previous portfolios. That should also apply to ministerial staff. We should have the same legislation as they have in America, Great Britain and Canada. Since the Labor Party unfortunately lost the election, what we have seen is the most unedifying spectacle of this Prime Minister and this government falling slowly down into the gutter. (Time expired)

Senator HARRIS (Queensland) (7.45 p.m.)—I rise in response to the Governor-General’s opening speech. The Governor-General’s sense of optimism and opportunity for Australia began this 40th parliament on a positive note. One Nation are pleased that the government has provided a continuing commitment to a belief in self-reliance and individual endeavour. There are, however, several areas that we believe need to be addressed as a nation in order for Australia to achieve a prosperous and secure future.

One Nation provides unwavering support to our friends and allies, America, and to the efforts of the international community to
eliminate terrorism. In doing so, we must ensure that freedom and civil liberties are not diminished. In this environment of heightened security awareness, One Nation will be acting to ensure that civil rights do not become a casualty in the war on terror. Our fathers and forefathers fought to preserve Australia’s way of life, our freedom, our common law and our traditions. If the government changes laws in ways which restrict traditional civil liberties, then terrorism and the terrorists have won.

One Nation is concerned about some of the counterterrorism proposals that have been mooted so far, including the possibility of allowing ASIO to detain terrorist suspects for up to 48 hours without legal counsel. One Nation looks forward to an open and vigorous debate on the proposed counterterrorism legislation and welcomes the Prime Minister’s summit for state and territory leaders. One Nation will closely scrutinise any new counterterrorist legislation introduced into the parliament and will be consulting with national civil liberties stakeholders—including academics, lawyers and civil rights representatives—so that we may ensure a positive response to any community concerns.

One Nation, being the originator of the government’s strong policy towards asylum seekers, continues to support the government on this issue and on the need to strengthen border protection. The present border protection legislation needs to be extended to have the same effect on a person illegally landing on Australia’s shores.

Last week, Australia saw the final and bitter demise of the national carrier Ansett. Sixteen thousand people have lost their jobs. Deregulation has led to nothing more than a chaotic and unstable industry. Last month, airline workers woke to the news that British Airways expects to shed more than 5,000 jobs and to cut services on some routes. I do not need to remind members that British Airways purchased 25 per cent of Qantas following the privatisation of our national airline by the Labor government. There has already been speculation that British Airways may quit its $1.3 billion stake in Qantas. This is the sort of instability that privatisation and foreign ownership of national assets bring to our country.

The coalition has wiped out $55 billion of public debt from 1996 to the present, but it has been mainly achieved through the privatisation of public assets, including airlines and airports, to the detriment of future generations. More and more Australian workers are concerned about their jobs and whether they are secure in the roller-coaster ride of globalisation. While the government assures us that Australia is well placed in terms of weathering international financial downturn, on the domestic front things are not rosy.

In 2001 we witnessed the collapse of HIH, OneTel and Ansett, and a litany of well-known businesses were forced to shed labour. Need I remind you that NTL, which owns our own private national transmission network, is being sold due to financial difficulties. One Nation will continue to oppose the sale of public assets and the proposal for increased foreign ownership in this country. Many are asking why the unemployment figures are not skyrocketing, but you only have to look at the official definition of ‘employment’ to get an idea of how the government might be fudging the figures. The official definition, which complies with the specification of the International Labour Organisation, is:

Any person aged 15 years and over who worked the reference week for one hour or more for pay is considered as being employed.

With job losses comes increased poverty. A report by the National Centre for Social and Economic Modelling and the Smith Family released in November last year shows more Australians are living in poverty than at the beginning of the 1990s. Allied to this development is the fact that over 15 per cent of Australia’s personal consumption expenditure is now made on Visa card alone. More than 16 million credit cards are estimated to have been issued in Australia, including nine million Visa cards, four million Mastercards, two million Bankcards, a million American Express cards and 350,000 Diners Club cards. The payment volume on Visa cards has topped $50 billion, accounting for about 15 per cent of national private debt.
Primary producers, manufacturers and industry must be protected from the ravages of international markets. The US initiative to protect its steel industry by imposing tariffs should be emulated by the Australian government. President Bush is only doing what we should be doing for Australian manufacturing industries and primary producers—that is, defending local jobs and economic growth by imposing tariffs.

In almost every sector, from textiles and clothing to steel and wheat, Australia has got the rough end of the globalisation stick due to competition from international markets and cheap imports. It is impossible for a First World nation to compete with Third World wages. Yet that is what the government and the opposition ask as advocates for the level playing field. Rural growth and prosperity will never be achieved by more deregulation and market liberalisation. Dairy deregulation is milking rural economies and souring the environment. Out of 1,500 dairy farmers in Queensland, 250 have lost their farms. The size of dairy herds is increasing and the number of farms is shrinking.

With an era of robotic dairies impending there may not be sufficient pasture for hundreds or even thousands of dairy cows crowded together in battery cow factories. I believe Australia will soon see the introduction of these feedlot dairies, with major environmental implications such as effluent disposal and the increased use of antibiotics. Meanwhile, traditional farms are shut down and farmers are being forced to sell their last miserable possessions at auction. This is only one example of the ill-considered plans turning Australian farmers into peasants in their own land. Our rural population continues to decline and suffer service losses. ABS statistics show people are leaving our heartland. In the 12 months to June 2000 more than 270 local government areas across Australia recorded a population decline mostly in rural inland areas.

Compounding the many problems rural areas face is the digital divide. Some rural people cannot afford access to IT and, even if they could have access, they cannot get the necessary technical training enabling them to be efficient users. Networking the Nation has not achieved better dial-up speeds for rural areas. This is of particular concern with regard to the number of government services now offered online. One Nation will support any government initiatives which genuinely assist rural and regional Australia. At the same time, we will be carefully monitoring the implications of industry deregulation and working with primary producers to ensure that they are not denied the right to economic prosperity.

With respect to choice and access in healthcare an ever-increasing number of small towns and regional communities have no obstetrics, no anaesthetics services and no doctors at all. One Nation believes more can be done to address this issue and that we must look to other potential problems on the horizon. Successive governments have eroded the financial basis of Medicare and the public health system as a whole. The current scheduled fee for a standard 20-minute consultation, bulk-billed, with a general practitioner, is $21.50. In 1984 when the ALP introduced Medicare the fee was $10. Clearly the rebate has not kept pace with inflation. No wonder general practitioners are moving to corporate practice.

Corporatisation is the process of a public company buying up general practices, consolidating them into larger, sometimes purpose-built, 10- to 20-doctor practices often with allied and diagnostic services on site. The AMA says corporatisation represents the most significant change to the business structure of general practice in its history. Many doctors now see corporatised medical practice as their only option. We have to wonder whether this trend is just the tip of the iceberg for Australian health services.

With respect to a thriving business sector, when the Multilateral Agreement on Investment was abandoned in 1998, Pauline Hanson warned that the treaty was ‘only wounded not dead’. Now the MAI has raised its ugly head again as GATS, the General Agreement on Trade in Services. GATS is a poisoned chalice from the WTO. It means that for the first time trade rules will reach into every aspect of our lives. Under GATS, services take on a broad definition to include intangibles such as health, education, nurs-
ing, aged care, travel, water supply, tourism, construction, communications and transport. The agreement creates legally enforceable obligations backed up by trade sanctions. If Australia puts a service on its schedule of commitments, the service is then subject to market access rules. Once activated, these rules will mean that a foreign corporation receives national treatment. One Nation believes these rules will affect government ability to selectively support certain local companies.

GATS is also a fast track for privatisation. The WTO says not to worry since services supplied in the exercise of government authority are exempted in article 1. But in fact article 1 goes on to say that to qualify for the exemption such services must not be supplied on a commercial basis nor in competition with one or more service suppliers. If a government agency charges a fee, is it providing a service on a commercial basis? If a town has a private school as well as a public school, is there competition? Since none of this is further defined in GATS, the exception is so full of holes it is almost impossible to say with certainty what local, state or federal government services are exempt. The service industry is big business, covering about two-thirds of economic activity in industrialised countries, a lucrative new market for multinationals. One Nation wants a full and frank public inquiry into the implications of GATS and a commitment from the government that public services such as health and education will remain publicly owned. This also applies to other trade agreements such as the free trade area between the US and Australia.

Concerning flexibility and rewards in the workplace, in the face of GATS we need now more than ever to ensure a two-level structure in relation to employment and the business sector. Large companies require the ability of a workforce, and workers in that environment require protection from malicious management or victimisation. We need to find a balance that ensures business can function effectively and profitably while workers’ rights, one of the last bastions of people power, are protected.

Small business is the biggest business in Australia. One Nation believes the government has neglected the plight of small business by focusing on the banking and IT sectors. While not compromising our present economic development, we must bring a balance to policy making and add an additional fiscal stimulation to the sector. We must also relieve small business of the red tape nightmare imposed by the new tax system.

One Nation shares the government’s concern regarding the protection of our environment. Today, I want to highlight one area where urgent government action is required: biogenetic invasion. Biogenetic invasion could be the new pollution plague. One Nation has already voiced concern over the safety of genetically engineered food, but now we want to raise the alarm about potential environmental damage caused by genetically engineered crops. Approved GE crop trials in Australia today include apples, sugarcane, pineapples, wheat, grapes, barley, pawpaw, peas, lettuce, tomato, canola and cotton. The last report from the government’s Gene Technology Regulator indicates only 16 of the 105 trial sites that were current for the July to September 2001 quarter were monitored and out of the 581 sites subject to post harvest monitoring during the quarter only 68 were visited. Is the Gene Technology Regulator critically underfunded and underresourced?

One Nation does not believe the environmental impacts of GE are being adequately addressed in Australia. To this end, we are calling for a moratorium on field trials of genetically engineered food crops. This will ensure that Australia is able to produce genuinely GE-free organic and conventional food crops. Organic crops in particular are increasingly recognised as a new source of income for farmers who have been forced to diversify due to the effects of deregulation.

In order to better the lives of all Australians, One Nation, the people’s voice, will ensure that wherever possible we are part of the necessary debates that must occur as part of our open, free and democratic society. One Nation will be working to restore the rights of Australians over economics in government. We will strive to protect Austra-
lians, ensuring that we are more than just a cog in a brutal global economy.

Senator EGGLESTON (Western Australia) (8.03 p.m.)—I wish to talk about the problem of salinity. I must say it is consistent with the excellent record of the Howard government in dealing with major environmental problems in this community that in the Governor-General’s speech mention was made of the fact that sustainable environmental issues are to be one of the highest priorities of the Howard government’s third term in office, reflected by the establishment of a sustainable environment committee of cabinet chaired by the Prime Minister. It was pleasing also to see that the National Action Plan for Salinity and Water Quality was specifically mentioned as something that this committee would deal with. There is no doubt that salinity, particularly in my home state of Western Australia, is one of the most serious environmental problems which Australia faces. Indeed, it is so serious that Western Australia has the largest area of dryland salinity in Australia and has the highest risk of increased salinity over the next 50 years.

What is salinity, many people ask. Why does it occur? Many people who have flown into Perth know from looking out of their aircraft windows that there are great white patches in the land below in the wheat belt areas. Salinity is a rising tide of salt, which has a cancerous effect on the vegetation and on water quality, defiling and in some cases destroying all in its path. It has the potential to destroy or seriously inhibit the productivity of some of the most valuable agricultural land in Australia, in the south-west of Western Australia. This land in the south-west of Western Australia is prime wheat and sheep country. In fact, Western Australia is the largest wheat producer in the country, with a total area sown of 4,625,000 hectares in 1999-2000, producing 9,189,000 tonnes of wheat from that land. So salinity has the potential to have a very serious economic impact on Australia’s agricultural produce.

Salinity is caused by rising watertables that bring salt formed millions of years ago to the soil surface and is very largely a result of past and present land management practices which have occurred since European settlement of Australia. No less than 3,552,000 hectares of agricultural land in Western Australia has been identified as being at risk from salinity, and it is predicted that this will rise to 4,181,000 hectares by 2020 and 6,490,000 by 2050. This means that approximately one-third of the agricultural area of the south-west of Western Australia may be affected by shallow watertables and salinity by the year 2050. So Western Australia faces an enormous environmental crisis which needs to be dealt with in the national interest. That is why the salinity committee which was announced in the Governor-General’s speech is so important.

In Western Australia, the rising watertables and salinity are estimated in current terms to have resulted in some $80 million in lost agricultural production—that is an enormous amount of money—and, furthermore, more than $500 million has been wiped off the capital value of properties affected by salinity. The annual cost to the nation of shallow watertables and salinity in Western Australia is expected to be around $664 million at this time. Not only do salinity and rising watertables pose a significant threat to agricultural production but also they damage precious and costly infrastructure, such as roads, railways, bridges, telecommunications, electricity networks, footpaths, gardens, buildings and townships.

Approximately 20 per cent of all road and railway networks in the south-west of Western Australia are currently affected by shallow watertables and salinity. Around 30,000 kilometres of road has the potential to be affected by salinity. This is thought to add up to around $500 million of the annual cost of road repair and maintenance—an enormous sum. This has major implications for all levels of government, not only for local councils but also for the state government and, in turn, for the federal government because those infrastructure costs need to be provided to maintain the roads, the railways and the towns of this country. It is thought that some 30 major rural towns in the south-west of Western Australia may be affected by salinity. Towns that have been identified as being of high risk include Harvey in the south-west, Jerramungup, Moora, Brookton,
Wagin, and Merredin in the wheat belt. One has only to look down from an aircraft when flying over the eastern wheat belt to know that the problem of salinity is devastating the country in Western Australia.

Shallow watertables also increase the risk of flooding, which results in increased damage to roads, fences, dams, agricultural lands and wetlands. Salinity also poses a major threat to biodiversity with hundreds of plants and animals at risk of extinction in the south-west of Western Australia. In fact, the Australian Dryland Salinity Assessment 2000 found that in the south-west of Western Australia:

- An estimated 1500 plants species will be affected by salinity with 450 possibly subject to extinction;
- Salinisation is likely to reduce fauna species by 30 per cent in affected areas;
- Terrestrial animals will decline significantly (e.g. a 50 per cent reduction in the number of water birds using wheat belt wetlands is anticipated due to the salinity induced death of shrubs and trees);
- Species richness has already declined in these areas with the onset of salinity.

Already in this current year, some 600,000 hectares of perennial vegetation have been identified as being at risk in the south-west of WA. Also, some 72,500 hectares of important wetlands are thought to be at risk in the south-west. This translates to 21 of the 54 wetlands located in the south-west of Western Australia being at risk of salinisation. This is a terrible toll of devastation on the environment in the south-west of Western Australia. As a Western Australian, I can only say that it is certainly a very sad toll to have to record. During the election campaign the coalition committed to ‘a new national wetlands repair program to support conservation and the restoration of nationally significant wetlands across Australia’. This too will be one of the objectives of the committee which has been set up by the Prime Minister to deal with these issues.

Another general issue around increased salinity concerns the waterways of the south-west of Western Australia. The water and rivers are increasingly unsuitable as sources of potable drinking water or for use as irrigation for agriculture. The big rivers emanating from the wheat belt have already been written off as sources of drinking or irrigation waters and many others are now at risk. Principal among these is the Blackwood River, which is a beautiful river which runs through the lower south-west of the state, through the great forests around Manjimup and Pemberton and on down towards Augusta, where it enters the ocean. Sadly, the Blackwood River, one of the most beautiful rivers in Western Australia, is now heavily salinated. That, if nothing else, should make every Western Australian stop and think about what is happening to the environment in the south-west of our state.

One might wonder whether solutions to this terrible problem are available. It has to be said that there are no easy or inexpensive solutions. The problem is a very difficult one. It is going to cost a lot of money to correct and it is going to need a great deal of commitment, not only from governments but also from the people of the south-west of Western Australia, to overcome the impact of salination. It is vitally important that the social and economic impacts of any response to the salinity crisis are minimised on farming communities and are spread as evenly as possible across the community. But, as I said, there has to be commitment to overcoming this problem. Regrettably, in overcoming the problem there are going to be economic consequences, and it is inevitable that some pain will be experienced by communities in dealing with the issue of salinity. But it is an issue that communities have got to face up to. People have to be prepared to compromise farm production and lifestyle for the broader and greater objective of preserving the environment of the south-west of Western Australia.

There have been a number of approaches proposed to deal with the salinity problem in the south-west. Most important is a change in land use and management practices. There is no doubt that the biggest villain in the development of the salinity problem in the south-west of Western Australia has been land management practices and the extent to which land there has been cleared. I can recall that in the 1960s the Brand Liberal government was very proud of the fact that it
was clearing a million acres of so-called light land a year in the eastern wheat belt. This was thought to be a great thing at the time that would enormously expand wheat production in the state. But sadly, 40 years later, that has produced the disaster of heavy salinisation of the eastern wheat belt and, regretfully, is the root cause of the problem. The land clearing practices as well as the planting of shallow-rooted vegetation, which does not soak up so much of the water as native species, have resulted in rising watertables and caused rising salinity.

Remnant native vegetation needs to be protected because it has the benefit of helping to preserve the watertables, resulting in less salinity. It is very important that there be a reduction in the current levels of land clearing and that there be revegetation of the affected properties in the eastern wheat belt if the problem of salinity is to be overcome. On this point, I am very pleased to say that, since the commencement of the Howard government’s Natural Heritage Trust, the area of trees and shrubs planted on agricultural land has increased from some 30,000 hectares a year to over 150,000 hectares a year. This is a major step in the right direction. The large-scale planting of salt-tolerant trees and deep-rooted perennial species which will use more groundwater, thereby lowering the watertable and combating salinity, is the best thing that can be done to help reduce the problem of salt.

Other things which can be done to help reduce the level of salt in the eastern wheat belt of Western Australia include engineering proposals such as draining the water away from some of the areas where the salt has collected, such as at Lake Dumbleyung. On this project the drainage scheme works by pumping groundwater into evaporation ponds. By reducing the salt groundwater, the salt level is reduced.

The federal government has a national salinity action plan, which is funded to the extent of $700 million and is to be implemented over seven years. The plan will be community driven and will target salinity and water quality in key catchment areas and regions throughout Australia. It will begin by targeting the 21 highest priority areas in the country, which in Western Australia include the Avon, South Coast, Northern Agricultural, South-West and the Ord, in the north of the state. The plan will, among other things, map salinity, allow engineering works such as drainage schemes and salt interception schemes to be undertaken, provide for large-scale revegetation projects, allow for the protection and rehabilitation of waterways and wetlands, encourage changed management practices and land use, and encourage the development of new commercial opportunities for those areas affected by salinity, including the introduction of salt tolerant crops.

The $2.5 million Natural Heritage Trust, which was created by the Howard government after the sale of the first tranche of Telstra, has had a major beneficial effect on our environment through its five programs. The Howard government, I am pleased to say, has indicated that the trust will be given a new regional focus, with more funding to regional and catchment organisations, in this third term.

In conclusion I want to record that land and water management is a very important issue, especially in Western Australia, if we are going to overcome the problem of salinity, which is devastating the south-west of Western Australia in particular. I am very pleased to say that the Howard government has recognised the significance of the threat of salinity to the south-west of Western Australia and has indicated that it is willing to take very concrete measures to deal with that problem and invest very large amounts of federal money to ensure that solutions are found.

Senator GEORGE CAMPBELL (New South Wales) (8.21 p.m.)—I rise also to speak in the address-in-reply debate and to address the vacuous nature of the Governor-General’s address which clearly demonstrates the lack of a third-term agenda for the Howard government. It clearly demonstrates that this is a government with no vision, no ideas and no strategic thinking. It is also a government whose mandate one has to seriously question, given the deceit that was practised on the Australian people in the lead-up to the last election. That has clearly
been demonstrated in recent weeks with the evidence that has now come out about the children overboard and the evidence that has now come out that the former Minister for Defence, Mr Reith, knew the falsity of the claims made in respect of the children overboard. And I am sure that a lot more will come out in the Senate inquiry in the fullness of time.

There is one particular area, which is my area of responsibility, which clearly demonstrates the lack of any strategic thinking or any substantial legislative program. If you look at the area falling under the responsibility of the Minister for Industry, Tourism and Resources, Mr Macfarlane, you will see that the government has proposed for debate the Space Activities Amendment Bill 2002 and the Timor Joint Petroleum Development Area Bill. For introduction, it has proposed the designs bill, which is to implement a new industrial design registration system; the Industry, Tourism and Resources Legislation Amendment Bill, for administrative matters pertaining to the legislation; and the Patents Administration Bill.

Senator Ferris—The economy is going gangbusters.

Senator Kemp interjecting—

The ACTING DEPUTY PRESIDENT (Senator Crowley)—Order! Senators!

Senator GEORGE CAMPBELL—The government still has no agenda and no ideas for our manufacturing sector and has not attempted to address this very important area of our national economy. It is not surprising, however, that the government does not have a policy for manufacturing, because this is a government that, when it was elected in 1996, came to power with a commitment and a promise by the then industry minister, Mr John Moore, of the creation of 200,000 jobs in manufacturing over the term of the government’s first three years in office. That was the commitment that John Moore made to the Australian people in 1996.

What has been the result of this government’s strategic thinking for the manufacturing industry? It has been a net loss of 60,000 jobs over the period that it has been in power—a net loss in a sector of the economy which should be going gangbusters, which has got a competitive currency in its capacity to export and the market which it is seeking to penetrate. We have seen a net loss of 60,000 jobs. What is worse is that, if you look at the ABS statistics, they clearly demonstrate that not only has there been a loss of jobs in the sector but there has been a very significant shift—

Senator Ferris—Senator Campbell, you lost 100,000 jobs.

Senator Crossin—You have been in government too long, Senator Ferris.

Senator Kemp interjecting—

Senator GEORGE CAMPBELL—from high-paid employment in manufacturing to low-paid employment and part-time jobs.

The ACTING DEPUTY PRESIDENT—Order! Just a minute, colleagues. We listened to Senator Eggleston in absolute quiet. I think we should do the same for Senator Campbell.

Senator Kemp—He made a good speech.

Senator Ferris—His was a sensible speech.

The ACTING DEPUTY PRESIDENT—Senators, it is quite inappropriate to be raving on while the chair is speaking.

Senator GEORGE CAMPBELL—As is often the case with this government, its rhetoric never, ever matches its performance. That has been a constant feature of this government since its election in March 1996. If you look at its policies on research and development, you will see that they have led to a decline in business investment and the closure of many research facilities in the manufacturing sector. One of our major companies, BHP, after the election of this government in 1996 shut down its research facilities in Victoria. It shut them down because there was no support for research and development by this government. If you look at the period from 1996-2000, you will see that this government cut something like $5 billion of support to industry. That had a massive impact on our private industry research capacity.

The government now seeks to make a virtue of Backing Australia’s Ability, which
at best only restores $2.9 billion of that expenditure. Whilst I have a positive view of some of these programs, it is too little, too late, given the fact that most of the programs are back-loaded in terms of expenditure to 2004-05. That is not just a criticism from me and that is not just a criticism from the Labor Party; that is a criticism from the scientific community. They have consistently made this criticism of Backing Australia’s Ability.

There has also been the change in the tax rebate, which was a Labor government initiative which stimulated investment in manufacturing and R&D as a whole, from 150 per cent to 125 per cent. Research and development continues to stagnate under the Howard government. By the end of the 1990s the share of investment in research and development was about half of the OECD average of the mid-1990s. Expressed in percentage terms, in 14 OECD countries this worked out at 6.6 per cent of manufacturing, value added, whilst in Australia in 1999 it came to three per cent. There is little incentive to reverse the downward decline in Australian R&D investment by manufacturers. It has been slipping further and further behind since 1995-96. The manufacturing industry has lost five years in which to build up a pipeline of innovations, and that loss is likely in manufacturing performance over the next 10 years. Backing Australia’s Ability, the cornerstone of this government’s innovation approach, has done nothing to stimulate growth. Some changes that have been made are positive: for example, the 175 per cent premium and its extension to companies currently accessing the R&D START scheme—albeit that these changes were actually forced upon the government as a result of a minority report of the Senate Economics References Committee into that legislation.

There are a number of key issues that are not addressed in Backing Australia’s Ability. In the area of venture capital, in 1998 the coalition government established the Innovation Investment Fund to address the serious underinvestment in the venture capital market. A preliminary report by AusIndustry about the investments made so far by the IIF licence holders suggests that the IIF program is making an important contribution to increasing venture capital investment—but not for the manufacturing industry. This is clearly indicated by the fact that, in 1997-98, of a total of $123 million invested in venture capital, only $24 million went to manufacturing. By 1999-2000, of a total of $579 million spent on venture capital, less than $16 million went to manufacturing. One of the current managers with an IIF licence, Nanyang Ventures, has a strong manufacturing focus. Its IIF investments will have an approximate mix of 40 per cent manufacturing, 20 per cent medical devices, and 40 per cent IT. While this is admirable and desirable, there is a real need to set up a specific IIF licence for manufacturing and for the manufacturing sector.

The coalition government has failed spectacularly in promoting investment in venture capital by Australian superannuation funds. Despite the fact that Australian superannuation funds are conservative relative to overseas pension funds when invested in venture capital, the government has not introduced any measures to effectively overcome this conservatism. The government introduced measures in the 39th parliament to encourage further investment in this area, and they failed. According to the ABS, between June 2000 and June 2001 the Australian superannuation funds’ commitment to venture capital increased by only two per cent, while total commitments to venture capital increased by 14 per cent. In June 2000, the contribution to venture capital by Australian superannuation funds represented only 0.5 per cent of the superannuation funds’ total investment portfolio. The government has effectively done nothing to address this issue.

In the area of export facilitation—which is vital to our manufacturing industry—through trade liberalisation our manufacturing industry has been left highly exposed to import competition. It is a responsibility of government to assist our industries where possible, and the former Labor government took the lead in this respect with its extension of the Export Market Development Grants Scheme.
corridors you are against standing orders. Would you please resume your seats.

Senator GEORGE CAMPBELL—The person you are talking about is an expert at loitering in corridors. He is known around the building as the grey ghost.

When the ALP left office in 1996, there was close to $300 million in this scheme. This has been capped at $150 million by the coalition. That creates uncertainty amongst our exporters, and this cap has hit manufacturing the hardest. In the review of the Export Market Development Grants Scheme by Austrade in June 2000, there was a stern warning issued to the government. The review states:

The cap on funding set at $150 million per year may result in the diminution of the value of grants for more than 1,000 grant recipients each year over the period to 2005-06. The Board considers that the returns from the scheme are such that the best outcome would be for all grantees to receive the full value of their entitlements …

The Board believes that if the cap is to be retained, the level at which it is set should be determined having regard to the level of demand for EMDG and the real value of the grants to exports.

It must also be remembered that this government made a promise to double exporters, but nothing has been done. Further, the International Trade Enhancement Scheme has been cancelled, reducing again the avenues for our manufacturers to export to overseas markets. Over the period 1990 to 1996, more than 100 companies received low interest loans under this scheme. Of those companies, some $5.9 billion of net foreign exchange earnings had been generated by 2001 for loans of less than $120 million. Eight of the last nine Australian Exporter of the Year winners were ITES program participants. Close to half the firms were manufacturers, and the program was highly successful in increasing the number of manufacturers with export earnings of $2 million to $50 million. Effective support mechanisms are needed urgently to facilitate manufacturers to introduce process change, integrate ICT systems, export skills capacity and match skill needs, and apply world’s best practice new manufacturing techniques.

This government has no agenda, no ideas, no vision and no way in which to address these key issues. One only has to look at the current crisis in the steel industry to see the paucity of thinking and ideas in this government. Here is a crisis created by one of our trading partners, which has unilaterally imposed tariffs on a sector of industry because that sector in its own country is inefficient. That has created a set of circumstances for us where we have put an industry through, over the past 17 years, structural change to drive efficiency to make them a world efficient steel producer—BHP. Employment in the industry was cut from some 26,000 down to some 5,000 to 7,000 over that period. We now have a world efficient industry which is threatened in terms of its ongoing capacity because of the unilateral decision by the United States to impose tariffs.

Not only is that industry threatened but those potential new steel producers in Newcastle who are looking to establish new facilities which will provide jobs in that region are also threatened. Not only are the jobs of those potential new efficient steel makers threatened but the jobs of the people in the north-west of Western Australia who mine the iron ore and export it to Korea and Japan—whose steel industries use that iron ore—are also threatened, in terms of the capacity of the industry and its access to markets. What is this government doing? This government cannot even get the Prime Minister to pick up the telephone and talk to his best friend George Bush, the President of the United States, and say, ‘Hang on, mate! We’re supposed to be on the same side. You can’t take decisions of this nature that are going to substantially impact upon workers in this country.’

Senator Abetz—Have you seen the Financial Review today?

Senator GEORGE CAMPBELL—He has not even got the capacity to pick up the phone. You know that what is in today’s newspaper does not guarantee the jobs of those workers in the steel industry. It falls significantly short of the capacity to do that. Senator Abetz, you ought to be ashamed of yourself. What have you been doing while the jobs of shipbuilding workers at Incat in
Tasmania have been threatened over the last couple of weeks?

Senator Abetz—Jim Bacon has been buying ferries overseas.

Senator GEORGE CAMPBELL—What have you been doing to try and secure the jobs of those workers? You have been running around Tasmania trying to play petty politics because you think you might pick up a few cheap votes for the Liberal Party in the state election. You will not do it, Senator Abetz. People are far more intelligent than you give them credit for.

Senator Abetz—I rise on a point of order. Not only is it false—and Senator George Campbell knows it to be false—but he should be directing his comments through the chair and not to me or, indeed, to any other senator personally. Whilst I am on my feet, can I suggest that he ask Jim Bacon, the Labor Premier of Tasmania, to buy a ferry made by Incat rather than second-hand Greek vessels.

The ACTING DEPUTY PRESIDENT—Senator Abetz, you are debating. There is no point of order but, Senator George Campbell, I ask you to address your remarks to the chair.

Senator GEORGE CAMPBELL—I will, Mr Acting Deputy President.

Senator Abetz—Second-hand Greek vessels in favour of Australian jobs.

Senator GEORGE CAMPBELL—On that point, Senator Abetz knows—and so does everybody in Tasmania—that those ferries are not the vessels that are necessary to run the Bass Strait.

Senator Abetz—Why are you talking down Australian products? You are talking down Australian products. You are treacherous.

Senator GEORGE CAMPBELL—They are not vessels with the capacity to run the Bass Strait, and he knows it. He knows that is the fallacy in the claims he is making on that issue.

I will look at some of the other issues. The reality is that some of the state governments in this country are trying to pick up the ball in terms of our manufacturing sector. The Financial Review of Wednesday, 13 February detailed the development of the innovation ministry, with this portfolio added to John Brumby’s Treasury and State and Regional Development ministry, giving Mr Brumby overall control of the newly formed Department of Innovation, Industry and Regional Development. This department will reform the state’s investment and attraction program, covering a range of industries including biotechnology, design, manufacturing and information and communications technology. That has been repeated by other Labor governments around the country. It has been repeated by the Queensland government, the South Australian government and the New South Wales government, which has recently released its report on securing our manufacturing focus. At least Labor state governments are focused on ensuring that a critical element of our economy will continue to be provided with the capacity to grow into the future.

One other clear example of this government’s absolute neglect of the manufacturing sector is what is happening with the auto industry. We had press release No. 103, which I understand was released just before the New Year, in which the Treasurer and the Minister for Industry, Tourism and Resources, Ian Macfarlane, announced:

... an inquiry into the automotive industry to inform the government decision-making on policy arrangements to apply after 2005.

They said in that press release that the terms of reference would be released, that the third commissioner would be announced in early January and that the inquiry would commence in early January. The terms of reference still have not been released and the third commissioner still has not been announced. Everybody knows that the timing of this inquiry and its early resolution is critical to those companies making decisions about the new models that will be introduced in 2006-07. The government is holding an industry to ransom because they do not have the capacity to make a decision to get it on the road. (Time expired)

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (8.43 p.m.)—The child protection mission
statement for any government, institution or parent need be no more complicated than the following statement: all children have a basic right to their childhood and should enjoy an unconditional safe guarantee of passage through their years of innocence. The catastrophic economic, social and human cost of our failure to achieve this outcome should be set in the terms of a royal commission.

In speaking to the address-in-reply to the Governor-General’s speech, I feel sure that the Governor-General would support the above proposition. I can only hope he would support my exploration tonight of the question of whether judicial legitimacy is a myth without a federal judicial commission. On 2 July 2000, the Chief Justice of the High Court, in a very sensitive and important speech to the Australian Bar Association Conference in New York, addressed the subject of judicial legitimacy. I would like to quote several extracts from this important speech. The Chief Justice said in paragraph 4:

Judicial power ... is held on trust. It is an express trust, the conditions of which are stated in the commission of a judge or magistrate, and the terms of the judicial oath.

In paragraph 8, His Honour states:
The capacity of an individual to make an impartial determination of the facts, and to understand and conscientiously apply the law, is the primary requirement of fitness for judicial office.

His Honour goes on with regard to judicial discretion:
Ultimately, however, in the administration of any law, there comes a point beyond which discretion cannot travel. At this point, if a judge is unable in good conscience to implement the law, he or she may resign. There may be no other course properly available. Judges whose authority comes from the will of the people, and who exercise authority upon trust that they will administer justice according to law, have no right to subvert the law because they disagree with a particular rule. No judge has a choice between implementing the law and disobeying it.

His Honour addresses the issue of impartiality in paragraph 4:
Impartiality is a condition upon which judges are invested with authority.

He goes on:

But to deploy judicial authority in support of a cause risks undermining the foundation upon which such authority rests.

In paragraph 35, His Honour deals with sustaining judicial legitimacy. He says:
The quality which sustains judicial legitimacy is not bravery, or creativity, but fidelity.

His Honour concludes his speech to the Bar Association Conference by saying:
Like fairness, legitimacy should be constantly on display in courts.

I am concerned that our institutions are in denial on the criteria so eloquently set out by the Chief Justice in his July 2000 speech in New York.

Having read extracts from the case for judicial legitimacy, as set out by the Chief Justice, I would now like to turn to the dilemma to which a fellow judge deployed his judicial authority so eloquently in his speech of 3 July 1999 to the King’s College School of Law in London—that is, the real risk of ‘suicide, blackmail, police entrapment, hypocrisy and other horrors’ suffered by male same sex participants in New South Wales prior to the enactment of the 1984 Crimes Amendment Act (NSW) No. 7. Subsequent to this speech, there was a further judicial speech on 24 February 2000 to the impressionable young men at St Ignatious College in Sydney—a speech in which an impartial observer may have detected the ‘deployment of judicial authority in support of a cause’.

Having regard to findings in the New South Wales courts last year that certain lifestyle offences committed prior to the 1984 Crimes Amendment Act (NSW) No. 7 could still be prosecuted, it concerned me that some judicial officers could still be captive of the horrific circumstances as described by His Honour in his speech to the King’s College in London on 3 July 1999. These concerns were further reinforced to me recently by a senior judicial officer who said he could see no solution to this legal minefield. He categorically stated that there should have been no appointments of practising homosexuals to the judiciary in New South Wales prior to May 1984 because of the criminality of certain acts inherent in that lifestyle being prescribed by the law at the time, regardless of whether the law was enforced at the time.
My concerns led me to revisit the transcript of the Wood royal commission and the revelations by the disgraced solicitor, KR5, who provided evidence regarding clients at the boy brothel Costellos in the following terms:

... but it was an amazing place there were lawyers there, judges ....

Unfortunately, KR5 was interrupted mid-sentence by counsel assisting Paddy Bergin—now Justice Bergin—in the following terms:

... just pausing there ...

The issue of who the judges were was never answered. My inquiries as to when these serious allegations would be dealt with were replied to in the following terms:

We have decided not to revisit any of that because the public would lose confidence in the judiciary.

I believe most people concerned by, or victims of, child sexual abuse have already lost confidence. I have thought long and hard and have come to a very firm conclusion that there is an urgent need in New South Wales to retrospectively legislate to protect people, including some high profile political, judicial, legal and media figures, many of whom presently still lead double lives, and provide these people with legal relief from prosecution for pre-May 1984 lifestyle criminal offences.

Hopefully, this legislation would end the precarious existence to which His Honour referred and hopefully would remove the need for the compromising code of silence which hideously compromised the police special branch, is still compromising police prosecutions in New South Wales and, whether intended or not, has also protected people who see sex with children as a perk of office or, at best, an everyday part of permissible life. Only with this legislation will the child sex offences code of silence be broken, and only then will the ongoing and evident serious compromise of sections of our judicial, legal, political and religious institutions begin to be dismantled.

The tragedy of the Justice Yeldham compromise was a product of this dilemma. The serious fault lines identified and evident at ICAC and the Wood royal commission are testimony to the code of silence at work. Sadly, I have not met anyone who thought the majority of evidence given to support Yeldham by senior legal and judicial figures was believable, nor that the classic escape clause 'the search for corruption and not crime' was again used as anything other than a cover-up in sections of its paedophile reference. If the legal system was not compromised, Yeldham would have been dealt with years earlier than he was. He would probably be still alive and would not have sat in judgment in circumstances that were highly inappropriate, biased and surely failing the test of judicial legitimacy. The Wood royal commission in its final report at 7.226 concluded:

... the Commission has looked at factors which contribute to inadequacies in this type of investigation—those identified include an inability to believe that the prominent person would engage in such conduct, in some cases conditioned by respect for or close association with the institution they represent (for example, church or justice system).

I am concerned that similar circumstances still exist. One, of several well known within legal, judicial and media circles but for years like Yeldham considered too sensitive and too difficult to address, I would like to address.

I refer to a judge who has put himself at grave risk of blackmail, entrapment, compromise and hypocrisy. This judge has come to the attention of senior police and the Child Protection Enforcement Agency in New South Wales. His activities and police concerns have been reported by policing authorities to senior judicial officers in both state and federal contexts. I regret to inform the Senate that, over a period of years, I have personally interviewed at great length, and obtained statutory declarations from, former rentboys from Sydney and Wollongong who worked the Wall at Darlinghurst as young male prostitutes, some of whom were taken to an address in Darley Street—an address known to the police, adjacent to the Wall—by this judge on various occasions in a fee-for-service arrangement. I am informed New South Wales police can confirm these activities. I also have in my possession Comcar driver records which document and record this same judge using this taxpayer funded
service on a regular basis to pick up from an address known to the police in Clapton Place—adjacent to Kings Cross—a young male and accompany him to the judge’s home address.

According to correspondence I have received, these Comcar records, which were officially alleged to have been destroyed in the 1990s under the Archives Act but in fact were still in existence in the year 2000, have been refused to me under FOI, and after being requisitioned many of these documents have now mysteriously disappeared. These records indicate the name of the driver, the car registration, kilometres on the speedometer, time of original pick-up, pick-up location, often any additional pick-ups and, of course, final destination. This particular docket, a typical docket, shows a pick-up of the judge in the basement of the Law Courts at 1900 hours on a given date and a journey via Darlinghurst to the judge’s home address. This docket, besides other jobs, also specifies a job for the same judge at 2300 hours on the same night, a pick-up from the judge’s home address, destination Darlinghurst, which was on this occasion and many others returning the young male to the address in Clapton Place. The docket also notes that the judge did not travel, that the young male was returned unaccompanied.

It is obvious from this docket and others I have the details of that these return journeys on bookings by the judge for an unaccompanied young male companion are a serious breach and unauthorised and contemptuous use of the Comcar service. I am informed that many such jobs were not recorded but, with the cooperation of a member of the since disbanded Sydney allocation office, were ‘foreigners’. Over a period of time this pattern of Comcar use, which created for some drivers serious concern and misgivings over inappropriate use of the Comcar, was brought to a head. These concerns were raised with the judge. These drivers, who in the public good may have put their jobs at risk, deserve whistleblower protection.

I would now like to raise the trial and conviction of a priest from the Maitland diocese, Vincent Gerard Ryan. He was charged with and found guilty of buggery and sexual abuse of altar boys as young as six years old over a period of 20 years. These crimes of stolen innocence, human violation and betrayal can only be described as abhorrent—made worse, if that is possible, by the ultimate trust these innocent young victims and their parents would have placed in their parish priest, only to discover the ultimate betrayal from a person who delivered first confession and first Holy Communion to these innocents and then for self-gratification stole their innocence and left a lifelong legacy of ruined lives, tortured minds and dysfunctional families.

This priest was sentenced to a lengthy jail term in excess of 10 years. He appealed his sentence in the New South Wales Court of Criminal Appeal and lost. He then appealed for special leave to the High Court of Australia. This special leave application to appeal was heard and granted. In granting special leave to appeal, one of the two judges, in weighting the crimes of the priest and the application for special leave against the reasons and source of the priest’s behaviour, said:

... and I just have in the back of my mind that there must be some principle in sentencing that you should take into account that the source is the one source. You could say it was his sexual fantasy. You could say it was his predicament as a priest committed to celibacy. You could give different excuses.

His Honour went even further down a path of judicial adventurism and creativity by relying on another basis to grant the special leave application:

... this man may have been a situational paedophile. Are the altar boys and their parents in the Hunter region of New South Wales likely to agree with the legalese of the judge that in some obscure way the priest is a victim because he is an unfortunate situational paedophile with an insatiable sexual fantasy locked in by a vow of celibacy? It has a familiar ring to it. Could the circumstances exist where a reasonable person in the court that day would have reasonable grounds to have an apprehension of bias in the judge’s words and decision on that day? Could the circumstances exist where a reasonable person
would also have an apprehension of a subliminal self-defence by the judge?

Earlier in this speech I referred to a judge who has come to the attention of the New South Wales police, who indiscreetly, improperly and illegally used Comcar, who regularly trawled for rough trade at the Darlinghurst Wall, who according to police statements and interviews regularly played out his fantasies in a fee-for-service arrangement, and who is also one of the people whose file was referred to in the final report of the Wood royal commission at 7.288, where the commission concluded in the following terms:

... the matter is complicated by the manner in which the file was managed and its contents ‘lost’. Whether or not some sinister feature underlines that event, the Commission is very troubled that Rope—the investigating police officer—could have provided a report to Hadley that was clearly incorrect. The Commission finds it hard to accept that this was a result simply of inadvertence. It is more inclined to the view that this was as the result of Rope feeling that he was in a very difficult position in which he lacked proper support or direction. This was almost certainly due in part to the undue deference paid to people in high places, and also due to the entirely inappropriate philosophy at the time that sensitive matters were better left undisturbed and unknown.

I believe that most Australian families would have the view that this judge fails the test of public trust and judicial legitimacy as set out by the Chief Justice of the High Court in his New York speech and clearly is not fit and proper to sit in judgment of people charged with sex offences against children.

This same judge shares three things in common with the judge who made the speech to the King’s College School of Law and the judge who made the speech to St Ignatius College and the judge who made the observations about Father Vincent Gerard Ryan and granted the special leave application. All four, through the deployment of judicial authority and some adventurism, have made out a historic and compelling case for the establishment of a federal judicial commission. They have all displayed a highly skilled and articulate capacity to manage close public scrutiny and, most importantly, they have all confirmed through their words and actions that indeed judicial legitimacy is a myth without a federal judicial commission—because they are all one and the same person.

I seek leave to table two speeches: one to the Australian Bar Association conference in New York by Justice Murray Gleeson and one to the King’s College School of Law in London by the Hon. Justice Michael Kirby.

**The ACTING DEPUTY PRESIDENT (Senator Calvert)**—Is leave granted?

**Senator George Campbell**—No, it is not. We have not seen them.

**Senator HEFFERNAN**—They are public documents.

**Senator George Campbell**—It is a courtesy to let us see them first.

**The ACTING DEPUTY PRESIDENT**—Leave is not granted, but I suspect that it may be granted later. I will return to the question later on, Senator, once the shadow minister at the table has perused the documents.

**Senator CROSSIN** (Northern Territory) (9.00 p.m.)—I rise this evening to make my contribution to the address-in-reply to the speech by that certain individual which was delivered at the opening of parliament. This is the first formal opportunity I have had to recognise the election of Mr David Tollner to the new seat of Solomon and the election of my colleague Senator Nigel Scullion. I welcome them both to this parliament and wish them well for their deliberations and their work in the House of Representatives and the Senate. In regard to the seat of Solomon, although David Tollner may well be a likeable fellow, I am hoping that his time in the other place is very short and that he enjoys the next three years—I am hoping he will be there for only three years.

It is interesting to analyse the outcome of the federal election when you look to the Northern Territory. Once again, as in the 1998 election, Northern Territory people swung behind the Labor Party and gave us their support. In 1998, we returned to the House of Representatives an ALP member—Warren Snowdon—with a swing to the Labor Party and we did the same last year. In fact,
the total swing to the Labor Party across the Northern Territory on a two-party preferred basis was 1.92 per cent. In Solomon, which on paper was to be at least a 2½ per cent safe seat for the Country Liberal Party, there was a swing to Labor of 2.15 per cent. That goes against the national trend of a swing against the Labor Party of 1.92 per cent.

If you analyse what happened in the Northern Territory, you will find that people swung behind and supported the Labor Party more than the Country Liberal Party. David Tollner in the seat of Solomon should, on paper, if the national trend had translated to what was happening in the Northern Territory, now be sitting on a very safe seat of over four per cent, but he is not. He is now sitting in one of the two most marginal seats in this country. David Tollner won the seat of Solomon by only 88 votes against a fantastic candidate in Laurene Hull. I take this opportunity to publicly congratulate Laurene for a fantastic campaign, given that she was preselected only three weeks before the announcement of the federal election. In eight weeks she was able to gain an enormous swing to the Labor Party and was nearly able to win that seat for us.

Why did people swing to the Labor Party during the last federal election? Why was the Country Liberal Party not as successful in maintaining that seat as safely as they should have? The answer is that during the course of the federal election campaign—I will get to that in a moment because neither of those candidates were game enough to tell the people in the Northern Territory exactly which party they were going to line up with until after the result—there was not one piece of policy produced by the coalition in respect of Solomon or the Northern Territory, apart from a pamphlet in someone’s letterbox introducing the candidates. That was it—a few odd advertisements advertising the candidates and a stall at Casuarina Shopping Square where they expected to get most of the people’s votes. But people in Palmerston were quite offended because they do not often shop in that area. So with a campaign that was very targeted at the northern suburbs, they did not fail at all to grab that vote, but there were no policies released during the course of the six-week campaign. There is nothing that either of those candidates can say that this government would do for the Northern Territory, particularly for Solomon.

We produced a plan for Northern Australia and people in the Northern Territory realised and appreciated that. We produced a plan that recognised that Northern Australia should be given a stronger local voice. We produced a plan that recognised that Northern Australia is the gateway to Australia’s future, that we live in the best part of this country to open up investment and economic development because of our proximity to South-East Asia. We produced a plan which showed that we appreciated the defence facilities being located in Northern Australia. We recognise the contributions and concerns of our defence personnel and their families, something that the coalition did not do during that campaign. We committed to rebuilding the Office of Northern Development because we realised that there needed to be an office that attracted investment, created stronger links with Asia, facilitated major infrastructure, supported skilled migration and built on our tourism potential.

We talked about having a gas development task force, something that I have yet to hear this coalition government commit to, even though they have now won the election. There was not a word of it during the election and there has not been any talk of such a development since. They are simply sitting on their hands when it comes to progressing negotiations over the development of gas fields in the seas north of us. We also committed $500,000 to research in the area. We committed a fairer system of regional airport charges to look at the specific charging regime for airport charges and the fact that regional airports throughout the Northern Territory are charging far above the costs that the users can afford.

We also decided that we would allocate $500,000 to a tourism revival strategy. Even though this government won the election, even though we have seen the demise of Ansett twice now and we have seen a terrific attempt by the Northern Territory government to get Virgin Blue flying to the Territory, what have we seen this government do
in relation to tourism? Nothing. Quite the reverse, we have seen the Australian Tourism Council abolish the position of special indigenous tourism personnel officer.

We have seen no commitment by the federal government to do anything about the downturn of the tourism industry in the Northern Territory. We had recognised that there was a need to revive that industry and we were going to start with an allocation of half a million dollars. We made an enormous commitment not only to the Indian Ocean territories in moving towards self-government for those territories but also to indigenous policies, in looking at what we could do in the areas of indigenous community services and employment, community development and self-reliance and in making a commitment to the stolen generations. So we had a comprehensive package for northern Australia.

My colleagues on the other side of the chamber will sing out that we lost Solomon; but we won Lingiari. What they fail to understand is that they won by 88 votes—0.1 per cent. It is now the second most marginal seat in the country. If this government’s campaign had worked in the Northern Territory—it clearly did not—then Mr David Tollner should be sitting on over a four per cent safe seat. He is not. The government’s campaign did not work in the Northern Territory, because they had absolutely no plan whatsoever.

Let me move on to the fact that we can now enjoy an increase in the number of female members in both houses. When we look at a gender breakdown of the House of Representatives, we see that the ALP has 20 female members and the coalition has 18. When the new Senate is sworn in on 1 July we will see 10 female senators from the Labor Party and eight from the coalition. We see only six female members in the Howard cabinet ministry and eight in our shadow cabinet. But it is not about which party has more women in parliament; it is about the fact that, across the board, there are not enough women represented in parliament. When we are able to get a critical mass of women in this parliament, we will be able to stop the headlines that pervaded the election campaign such as ‘Feminists inhabit a different country’; ‘Power plays: sting of defeat for women on the way up’; ‘Twenty-five per cent: the interest rate is still too low’, and so it goes on. The headlines were created by the media and targeted women that had been elected and women that now hold senior posts in either of the parties. I guess it was another attempt to play down the role that women play in parliament. I believe that is all because there is not a critical mass of women through which those comments can be refuted and overturned. There simply are not enough of us on either side of the chamber. Hopefully, as the years go by, we will see that situation improve.

Let me move on to the opening of parliament. The Howard government missed a wonderful opportunity to move on their stance in terms of indigenous Australians. Remember that this was the Prime Minister who promised after the 1998 victory that he would make Aboriginal reconciliation a top priority. The report by the House of Representatives Procedure Committee suggested changes to the procedures in the opening of parliament, and the taking up of some of its recommendations would have been a wonderful opportunity for this government to move the reconciliation agenda forward, to have indigenous people play a central part in the opening of the 40th parliament, to have a welcome by the Ngunnawal people and to have an indigenous ceremony. Having indigenous people here in these chambers would have been a fantastic sign to the indigenous community of our country that this government was genuine about the practical reconciliation that they go on about so much. But the 40th parliament opened with the same ritual, in the same old way that it has for the last 101 years. It was a lost opportunity for this government to do something practical about reconciliation in this country and it highlights the lack of vision and the lack of leadership shown by this Prime Minister.

We have seen that this government is very good at saying one thing before the election and another afterwards. Before the election the health minister and the Prime Minister both said that health premiums would come
down. What have we seen in the last few weeks? Health insurance has increased by up to 18 per cent—an increase that has been approved by the government. Last week when Minister Tuckey was in the Northern Territory, he was quite surprised about the cost of petrol prices. He made some comment along the lines that the high price of petrol would worry ordinary housewives and businessmen. That would surely put him in line for next year’s misogynist award in the Northern Territory. Where has the minister been all these years when a number of us in the Territory have been raising the issue of petrol prices over and over again with this government? It is as if Minister Tuckey arrived in the Northern Territory and his eyes were suddenly opened to the high prices and to the differences in what people in rural and regional Australia pay compared with our counterparts along the eastern seaboard.

I also take this opportunity to make some comments about the government’s indigenous policy released during the election campaign and to make some comments about the land rights act in the Northern Territory. This government produced an indigenous policy that really had no new initiatives and no changes in it. It simply reiterated a number of initiatives in health, education, economic and employment development that the government had announced in the previous years. There was no mention of heritage in its policy—an area where this government has completely botched the much-needed reform, despite all the stakeholders’ support. There was no mention of the independent needs of Torres Strait Islanders, in particular with regard to regional autonomy, and there was certainly no mention of what this government would do in relation to implementing any of the outstanding recommendations from the report of the Royal Commission into Aboriginal Deaths in Custody.

If we look at the Governor-General’s address, the indigenous citizens of this country enjoyed only two paragraphs in that address. I think most indigenous people would be sadly disappointed at the lack of specifics and the lack of commitment when it comes to what this government will do for indigenous people over the coming three years. My colleague Senator Scullion, in his first speech to this chamber, made some comments about the Northern Territory land rights act and the Native Title Act. While it is not common to comment about a person’s first speech, there are a number of serious errors in that speech that I believe need to be clarified for the record. A number of the comments, I believe, clearly show what this government is planning in the coming three years in relation to indigenous rights and land rights in the Northern Territory. Some of his comments clearly show that his understanding of the difference between the two acts is seriously lacking.

Senator Scullion referred to the ‘special Aboriginal freehold title’—I assume he means the Northern Territory land rights act—and suggested that that was something enjoyed by indigenous Territorians but not by other Australians. He went on to say that we have two Commonwealth acts dealing with essentially the same issues and that if a single Commonwealth act is good enough for the rest of Australia then it should be good enough for the Northern Territory. He said he would be calling on members of this Senate to support Territorians in amendments to the Aboriginal land rights act that may be brought forward to make it consistent with native title.

The two acts are, very clearly, very different. His comments suggest that the ‘special Aboriginal freehold title’, obtained under the land rights act, is inferior to ordinary freehold and is an impediment to development and economic self-determination. He also suggests that having the Native Title Act and the land rights act in the Northern Territory is excessive, involves duplication and creates a legal inconsistency. But the Northern Territory land rights act is a grant of statute under the law. When people are granted some land, a freehold grant under the Northern Territory land rights act, they get the title to the land. They get an opportunity to have the most secure and complete form of title to their land. They enjoy a high degree of control over activity on their land. They have the right to veto. No action can take place on the land without their informed consent. In relation to mining, as I said, they can grant per-
mission or not to those seeking to carry out exploration on their land. They can simply say to people, ‘You are not going to explore on our land.’ Of course, once they do agree to exploration, they cannot refuse the right to mine. But it is the most secure way in which land can be granted to indigenous people in the Northern Territory.

The Native Title Act, of course, is quite different. It is a grant that is recognised only through common law, and there are two quite distinct interests in the land in relation to native title and the Northern Territory land rights act. It only recognises their right to claim that land; it does not, in some cases, give them the title. Native title is the name given by Australian law to the set of rights and interests in the land, which indigenous people have continuously enjoyed. Native title is not extinguished by a land rights grant; the two can coexist on the same land.

So my colleague is saying that he will be asking this chamber to support a grant of the Native Title Act rather than the land rights act. He will be asking us to make the land rights act consistent with the Native Title Act—in other words, to water down the land rights act and, in some cases, make it not as effective as people would perceive the Native Title Act to be. I say, on behalf of Territorians, that I will not stand in this chamber and allow that to happen. There is no way that I will allow the rights of indigenous Territorians under the land rights act to be given up in favour of the Native Title Act while ever I sit in this chamber. (Time expired)

Senator Abetz—I understand there is still the outstanding question of whether leave is granted to table certain documents.

The ACTING DEPUTY PRESIDENT (Senator Calvert)—I understand that leave has been granted.

Senator O'BRIEN (Tasmania) (9.20 p.m.)—Tonight I want to touch upon an area of government performance. The Governor-General's speech outlined the direction and philosophies of the government for its coming three-year term and I want to talk about the performance of the government in relation to the Incat matter. On 22 February, the Tasmanian Premier, Mr Bacon, led a delegation to Sydney to meet with the Prime Minister to discuss the problems being experienced by the Tasmanian ferry manufacturer, Incat. It is a major employer in Hobart, as you know, Mr Acting Deputy President. It has been highly successful in the past and I expect that when it gets over its current difficulties it will be highly successful in the future.

The Premier, Mr Bacon, and his delegation were in Canberra to ask Mr Howard and the Howard government to help Incat overcome its current difficulties. The delegation with the Premier included Mr Craig Clifford, Managing Director and Mr John Harris, Commercial Director for Incat; Mr Denis Rogers AO, Chairman, Tasmanian Development Board; Mr Jeff Kelly, Chief Executive, Department of State Development; Mr Damon Thomas, Chief Executive Officer, Tasmanian Chamber of Commerce and Industry; Mr Terry Martin, Mayor, City of Glenorchy; Mr Greg Cooper, Secretary, Australian Manufacturing Workers Union, Mr Ray Pridmore, Global Head Asset Structuring, National Australia Bank Limited; and senior officers from the office of the Premier and the Department of State Development of the Tasmanian government. One would have to say it was a group representing all interests in relation to the problems that Incat was experiencing.

The interests of the company were there—its banker, the businesses that rely on Incat, the workers and their families, and indeed the broader interests of the state. This meeting was not about politics; it was about supporting a company that has been a major contributor not just to the Tasmanian economy but to the Australian economy. It was about getting Commonwealth help to enable Incat to continue to operate and develop its business further. This was a meeting of considerable importance to the state of Tasmania and I understand, from talking to people who attended this meeting, that the Prime Minister gave the delegation a good hearing and that feedback after the meeting, from subsequent officer level discussion, was very positive.

I want to talk about the events that followed that meeting and the potential impact
that those events will have for the Tasmanian economy. Perhaps it is important to tell the Senate something about Incat and its background, because it is a great story. The company evolved from other boat building companies, including Sullivans Cove Ferry Co., which was formed in 1972. The Sullivans Cove Ferry Co. concentrated on the construction of conventional steel monohull vessels and also operated small ferries across the Derwent River in Hobart. The company gained prominence, of course, when the Tasman Bridge collapsed in 1975, that being the sole bridge linking the eastern and western shores of the Derwent and two important communities in Hobart. In the two years that it took to repair the bridge, the Sullivans Cove Ferry Co. transported more than nine million passengers. A partnership between Mr Robert Clifford, who was a boat builder, and Mr Phil Hercus, who was a designer, formed International Catamarans Pty Ltd to specialise in the production of fast ferries. Through extensive research the company determined that aluminium catamarans offered better performance than other alternatives and commenced to specialise in the manufacture of aluminium construction ferries.

In 1983 the concept of a wavepiercing design was conceived and trials of an 87-metre prototype were conducted in 1984. In February 1988 the Clifford-Hercus partnership amicably terminated, allowing each partner to concentrate on his respective business interests. Mr Phil Hercus, designing under a separate and unrelated business, continued to operate, and Mr Robert Clifford, designing and building under a new company, Incat Tasmania Pty Ltd, based in Hobart, continued to operate.

Since that time, Incat has built nearly 60 vessels of varying lengths. These ferries, one would have to say, have revolutionised transport links around the United Kingdom. Incat-built ships now operate in North and South America, Australasia, the Mediterranean and throughout greater Europe. Until recently the company employed a work force of about 1,000 employees skilled in aluminium design and manufacturing, and, as I understand, it is Tasmania’s largest privately owned employer. The group also supplements work for an additional 300 people employed by individual businesses that constitute the local marine cluster—I think it is known as the Tasmanian Maritime Network.

As I said earlier, Incat has been experiencing some difficulties. These difficulties flow from an inability to sell new vessels, primarily as a consequence of a worldwide low demand for fast ferries. But I hasten to add there is anecdotal evidence to suggest that normal buying patterns are likely to return during the next Australian summer. The meeting with the Prime Minister, which I referred to earlier, and what it was hoped would be a positive result from that meeting, was an important part of the plan to carry the company through to that expected recovery. Unfortunately, that plan was effectively sabotaged by two Tasmanian Liberal politicians, the state Leader of the Opposition, Mr Bob Cheek, and the Special Minister of State, Senator Abetz.

The day following that meeting in Canberra Mr Cheek called the Prime Minister. He pushed the fact that the Tasmanian government was considering the purchase of two monohulled vessels to operate passenger services across Bass Strait, and his plan was clear. It was a crude plan designed to achieve short-term political advantage. He wanted the Prime Minister to abandon any support for Incat in order to embarrass the state Labor government. Might I say that, in doing so, he ignored the interests which were represented by the members of that delegation—that very broad representative delegation—and the interests of the Tasmanian business community, the employees of Incat and the greater community of Hobart.

Mr Cheek happily acknowledged that he called the Prime Minister the day after the delegation met Mr Howard. He happily admits that he pushed the fact that there was a proposal to purchase monohull vessels to operate the Bass Strait service and he claims that the Prime Minister was surprised that the Tasmanian government chose not to purchase Incat catamarans. Well, that is just not credible. It is not credible that the Prime Minister spoke to Mr Cheek on the Saturday, then assessed the merits of the use of the
catamaran on Bass Strait, then spoke to the responsible minister about the merits of the Incat option versus the monohull option, and then that minister, Mr Macfarlane, rewrote his submission in time for consideration of federal cabinet on the Monday. That is just not credible. What is credible is that there was a plan by Senator Abetz and Mr Cheek to put in place, with the support of the federal government, a political fix. It could not have been a decision based on the proper consideration of all of the policy options in the context of the timetable that I have just outlined.

Mr Cheek then attempted to extract himself from one of the better political own goals in recent times by pushing the idea that the construction of a much larger catamaran for the Bass Strait service was the option to be pursued, and I understand that Senator Abetz backed him all the way. I think senators here, particularly Tasmanian senators, will recall that after the last election Senator Abetz warned Tasmania that it would not get the representation it deserved from the Howard government. He said that the Howard government would not represent the interests of Tasmanians because they had kicked the Liberal Party in the teeth for a second term.

Senator Abetz—That is false, and you know it.

Senator O’BRIEN—No; that is true, Senator Abetz.

Senator Abetz—No; that is false, and you know it.

Senator O’BRIEN—We will see what the record says. A spokesman for Senator Abetz, I must say, locked him in with the strategy which was being pursued by Mr Cheek. He was quoted in the Burnie Advocate as saying:

Bob Cheek has the answer. This—that is a commitment to purchase a 112-metre catamaran—would be a great demonstration of the faith in Incat and of great assistance to sell them internationally.

So when it comes to Senator Abetz we have the motive, we have the fingerprints, perhaps even the proof.

Senator Abetz—You’ll never make a detective, Kerry.

Senator O’BRIEN—I do not need to be a detective when the clues are so clear. This plan was discredited within days by none other than the federal Minister for Small Business and Tourism, Mr Hockey. Mr Hockey actually considered the question of how best to serve the tourist trade across Bass Strait. He actually consulted the tourism industry, which apparently Senator Abetz did not. Let me quote what he said was his view on this matter. He said:

The cat is not working from a tourism sense and the general view here—that is in Tasmania—is that a twin monohull service would be best. Tasmania needs reliable transport and I have picked up on the fact that two ferries are wanted.

Not Mr Bacon, not me, no-one from the opposition, no-one from the state Labor government; none other than the federal minister for tourism, Mr Joe Hockey.

The defence used by the federal Minister for Industry, Tourism and Resources, Mr Macfarlane, when he announced that the federal government would not help Incat was also flawed. His defence was built around a claim that the state government had not done enough to support the company. But that claim, might I say, does not sit comfortably with the facts. Here they are. The Tasmanian government supported Incat from the outset—various governments of various political colours. From the outset, when the company constructed its first wave-piercing catamaran it had the support of the Tasmanian government. Performance guarantees had been provided to the purchaser, Sea Containers of the United Kingdom, to cover deposits and progress payments and minimum performance levels by these vessels. The company has also been provided with other financial and non-financial support over many years that has improved its business and management systems. This has included exhibition and overseas trade mission assistance. The state government was also responsible for the initiative and for providing the necessary funding for the establishment of the local Aluminium School of Welding Excellence. This school underpins
not only the Incat operation but also other local and national fabricators. There has also been extensive assistance from the state government with major land reclamation at the company’s Hobart site. In addition, the state government provided a loan of $30 million in July 2001 in support of the company’s working capital requirements to allow time for the sale of vessels. Further, the state government has assisted the company in the area of securing vessel sales.

That is a lot of targeted and effective support from a small state for a major Tasmanian based enterprise. What conclusion should we draw from all of this? I think the conclusions are fairly simple. One is that Mr Bob Cheek does not deserve to aspire to the position of being Premier of Tasmania. He clearly is not up to the job. In fact, he is way short of what is required to achieve that. May I say that the interjections from Senator Abetz earlier about not being invited on the delegation indicate one thing to me: that Senator Abetz’s view of the world is limited to the interests of the Tasmanian branch of the Liberal Party, because he looks no further.

Senator ABETZ (Tasmania—Special Minister of State) (9.36 p.m.)—I rise in this address-in-reply to take issue with some of the wild and inaccurate assertions of Senator O’Brien. If I thought that Senator O’Brien had the intellectual horsepower, I would possibly claim that he was deliberately misleading the Senate, but I will give him the benefit of the doubt and acknowledge that he does not have that capacity and he has just misled himself. Mr Acting Deputy President Calvert, as you well know, this delegation to the Prime Minister was commenced as a result of a telephone call by the Labor Premier of Tasmania to me asking me whether I could arrange an urgent all-parties visit to the Prime Minister to talk to him about Incat. I naively believed that this was going to be not a political stunt but a genuine visit to see what could be done for Incat. As a result, within 24 hours I was able to ring back the Premier of Tasmania and indicate to him that a meeting had been arranged for a week’s time. I was thanked for that. An announcement was made a few days later at Incat. I was still under the possible misapprehension that it would be a genuine all-parties delegation and also that I would be given a briefing.

To this date, not a single federal Liberal senator has had a briefing on Incat from the state government. The reason is quite clear: Mr Bacon and the state Labor government wanted to deflect any possibility of the state government losing the $30 million that it had poked into Incat without telling anybody. The state Labor government now promotes the fact that it has given $30 million to Incat, the terms of which we still know nothing about—nothing whatsoever. But the public record shows $90 million worth of federal government assistance to Incat—all through proper programs, all transparent. Everybody can link it up with a program that exists for everybody else in the shipbuilding industry within Australia. The important thing here is that the Labor Premier of Tasmania, when called upon to support Saxon wood heaters in Tasmania, said:

It is not government’s role to support and bail out private enterprise.

He said the same about Harris Scarfe. He said the same about Blue Ribbon. But he did this secret deal with $30 million of taxpayers’ money, and when he became alarmed that this might be lost he quickly wanted to cost-shift onto the federal government and try to blame them.

The delegation went to Sydney. I issued a media release at the time indicating that the federal government’s approach to bailing out private enterprise was as, for example, for Ansett and that no false expectations ought to be raised as a result of my assistance in supporting this delegation to the Prime Minister. The difficulty that the Labor Premier finds himself in is that, prior to his visit to the Prime Minister, he had locked himself into a $200-plus million deal, the details of which we still do not know. Indeed, as a former senior journalist in Tasmania said, the state Labor government, the Bacon government, is the most secretive government that he has reported on in his long record—his distinguished record—as a political journalist. That is why not a single Liberal senator was briefed on Incat’s dilemma, because
the details of the $30 million loan would, of necessity, have to come out. Here we have a state Labor government being absolutely treacherous to the workers of Incat by saying, ‘We support your product, but we are going to go overseas and buy two second-hand European ferries.’ Here we have a state Premier saying, ‘My own product ain’t good enough. I am not going to look around the rest of Australia to see if Australia might be able to build me a ferry or two; instead, I am going to go overseas.’ And, in spending the Tasmanian taxpayers’ money overseas, he has the audacity to go to the Australian government and the Australian taxpayer and say, ‘Please give us some money to help Incat, a company that I am not willing to support by my own actions.’ What is most treacherous of all is that, when the Premier wrote back to the Prime Minister asking the Prime Minister to reconsider his position, he leaked that letter—in fact, gave it to the media, if not before the Prime Minister received it, at about the same time—and in it he had five hysterical, false claims about the inadequacies of Incat.

You cannot pretend to be the Premier of a state supporting an important icon industry like Incat on the one hand and then bagging the product that it makes to try to score cheap political points off the Prime Minister and the state Leader of the Opposition. Every single Incat worker now knows that not only has the Premier not bought the product that they work so very hard on but also the Premier has not given them an opportunity to build a bigger ferry—the Premier has not given them the opportunity of a livelihood that they deserve and that the Tasmanian government could have delivered to them.

There is some suggestion that somehow I and others may have betrayed Incat. Let us set the record absolutely straight on this: it was I, as Parliamentary Secretary to the Minister for Defence, who announced the charter of the HMAS *Jervis Bay*, an Incat product.

Senator O’Brien—Where is it now?

Senator ABETZ—That allowed Incat to break out into the defence world and into the defence market. Senator O’Brien asks, ‘Where is it now?’ That is a very good question, because a former Labor government bought, if I remember correctly, the *Menoora* and the *Kanimbla*—second-hand vessels, yet again; the Labor Party have this penchant to buy overseas vessels that are rotten or, in this case, rusted—and after hundreds of millions of dollars had to be spent on fixing up the *Manoora* and *Kanimbla* and finally bringing them back online because we were committed to them, unfortunately, there was no longer any use for HMAS *Jervis Bay*.

But, having said that, I led a delegation of defence exporters to the United Kingdom and during that time I fully supported and promoted Tasmanian and Australian product and, indeed, HMAS *Jervis Bay*. On a number of occasions when I gave speeches I was able to refer to the imagery of HMAS *Jervis Bay* steaming into Dili port during the East Timor situation. As a result of my representations, and because of a good relationship that I believe I was able to develop with the UK Minister for Defence Procurement, Baroness Symons, she came out to Australia and Tasmania and visited the Incat shipyard at my personal invitation. The Deepwater Project in the United States, which Labor senators would have no idea about, potentially provides a very big market for Incat, and I hosted a lunch for a delegation of those people with the Incat proprietors to promote Incat.

The facts are that I and this federal government have supplied every possible support that we can to Incat. One thing that I will not accept is the Premier, Jim Bacon, and now Senator O’Brien running around seeking to make assertions about any difficulties that Incat has. Indeed, I understand that just today they had to lay off or make redundant some more workers. It is no coincidence that that occurred some four or five days after the Premier made his treacherous announcement on the monohulls. It was then that Incat knew that there would be no purchase by the Tasmanian state Labor government. Of course, we now know that that was locked in months before, and months before the Premier had the audacity to ask for a joint approach to the Prime Minister to assist Incat. If he is genuinely supportive of Incat and does not want this to be a political stunt,
he has to answer the simple question: why, to this date, has not one single Liberal senator from Tasmania been briefed on the Incat situation?

Senator Mackay—Did you ask him to brief you?

Senator ABETZ—I was promised a briefing. I still have not received the briefing, nor have any of my colleagues. More importantly, not a single Liberal—the alternative premier, for example—has been invited to go on this delegation to visit the Prime Minister. We as a federal government have retained a very consistent line about bailing out private enterprise. But the Premier, who rejects help for Saxon wood heaters, for Harris Scarfe, for Blue Ribbon, does a deal that nobody knew about until it leaked out, finds himself in an embarrassing position and then seeks to assert that somehow it is the federal government’s fault.

Incat should have been given the opportunity to develop the 112-metre vessel that the proprietors of Incat believed would provide an appropriate and quicker service. Let us look at the monohulls proposal. They are supposedly superfast ferries but, as you know, Mr Acting Deputy President, they will take 10 hours to cross Bass Strait whereas Incat with their proposed route would have taken only 4½ hours. So they would have been super superfast ferries. What is more—and this is the nub of the situation—everybody in Tasmania knows that the Maritime Union of Australia said to the Premier, ‘Don’t you dare allow the fast ferries made by Incat to go across Bass Strait because guess what they might be able to do? They might be able to do the double crossing within one 12-hour shift.’

Indeed, one newspaper reporter who is quite knowledgeable in this area said there would need to be a staff of 100 per monohull, whereas for the Incat ferry a staff of only 30 would be required. And guess who has to pay for the extra 70 staff members? All undoubtedly will have to be members of the Maritime Union before they are allowed to serve on this ship. And guess what? The fare paying passengers and tourists will have to support this. And, what is more, if you have an Incat that can do a double trip within 24 hours, it can get double the return on the state government’s capital because you get two trips per day instead of the one trip per day that you get out of the monohulls. So you have got double the capital cost and about a 150 per cent increase on the labour force required.

Then we have Mr Bacon dining out and saying, ‘Guess what? The fares will be cheaper by $5.’ Guess why they will be cheaper by $5? Because a meal will not be included. But, in a 10-hour trip, do you honestly believe that people will not be wanting a meal? And guess what? They will be buying a meal. Guess what? It will cost them more than $5. So guess what? The trip across Bass Strait will be more expensive because of the Maritime Union of Australia. In case listeners are not aware of this, Jim Bacon is a former Secretary of the Builders Labourers Federation in Tasmania. And of course the BLF and the MUA are soulmates; so you would be assured that the Premier would never do anything which might in any way undermine the rorts that the MUA are on.

I do not mind if Senator O’Brien misrepresents me—you get used to it—but when he misrepresents the Minister for Small Business and Tourism it is a very serious matter. What Minister Hockey did, quite properly, when he was on the north-west coast of Tasmania was to indicate to the media what his feedback had been in that particular area. He fully acknowledges what the feedback would have been, if he had been in Georgetown, from the people of Bass that Michelle O’Byrne, the federal member for Bass, and all the state Labor members have sold down the drain. Senator Watson, who lives close to Georgetown, knows exactly what the feeling in that community is. The feedback to Mr Hockey would have been: you have got to run with the catamaran proposal.

If Minister Hockey had listened to people on the east coast, that also would have been the feedback. The particular interview that he gave was simply on the basis of the feedback that he had received on the north-west coast. I fully acknowledge that there are differing views in Tasmania, but they are mainly on the north-west coast because they want to
preserve and to double the service into Devonport, and you cannot blame them for that.

This deal that Premier Bacon has made has been treacherous to the people of Georgetown, to the tourism industry in the north-east and east of Tasmania, to all of the subcontractors, their workers and their families; and, indeed, to all of the Incat workers, who rely on the success of Incat to make a living and to provide bread and butter on the table for their families. Senator O’Brien, who I understand—surprise! surprise!—is a former President of the Tasmanian Trades and Labor Council, is not defending the workers of Tasmania. He is not defending the shipbuilders at Incat or the tourism operators in Georgetown. What he is defending is $200 million plus of Tasmanian taxpayers’ money going overseas to support workers in shipyards across the seas—not even in Australia.

Mr Bacon may have had some credibility if he had said, ‘I will definitely buy Australian,’ when he asked for Australian taxpayer assistance. But, if his own local Tasmanian product is not good enough for him, if Australian product is not good enough for him and he wants to go overseas to buy—because of his actions leaving a shipbuilding firm floundering—why should the Australian taxpayer provide the bandaid for the wounds that Mr Bacon has inflicted on Incat? The political fix on this was in fact set by Mr Bacon when he, quite foolishly, made the suggestion that he would not support Tasmanian product.

Senator Mackay—What did you say after the election? You said, ‘We will pay.’

Senator ABETZ—Senator Mackay interjects, and she does so from the strength of being the Opposition Whip and no longer an opposition frontbencher. Undoubtedly, certain people made judgments in relation to—

Senator Mackay—By choice.

Senator ABETZ—‘By choice,’ she says, as indeed Mr Kerr, undoubtedly by choice—

Senator Mackay—That was different.

Senator ABETZ—He is different, is he? Thank you for confirming that on the Hansard. So the assertions of Mr Kerr, the member for Denison, that he voluntarily left the frontbench are not true. Thank you for that,

Senator Mackay. I am sure that the Hobart Mercury will not print that because of their particular bias, but nevertheless it is very interesting to have that on the public record. I thank Senator Mackay for that, and any other helpful interjections that she might have I will gladly accept. The important issue on this is that Mr Bacon and the state Labor government have sold out the workers of Incat, all of the subcontractors that rely on Incat and the tourism industry of north-eastern Tasmania and the east coast.

Senator CROWLEY (South Australia) (9.56 p.m.)—Thank you, Mr Acting Deputy President Watson, for being here and for taking the chair because strictly I should be up there. Somebody has done some clever rearranging in the back room. I would also like to thank Senator Calvert, who offered to sit in the chair while I spoke and then Senator Abetz leapt in. So, Senator Calvert, thank you very much. I want to note that we are just about at the six-month anniversary of the twin towers collapse in New York. As everybody in this chamber would know, I was in New York at that time, and I want to personally thank the Senate for incorporating the contribution I was able to make to the debate in this place at that time. It seemed to me to be useful at the six-month anniversary to pick up some points from the experience I had at the time and, in particular, from the report I have produced mainly, I think, for myself about the time I had in New York representing this parliament.

Senator McGauran—I will read it.

Senator Mackay—We will all read it.

Senator CROWLEY—You are lucky; you will get to hear it, Senator. First of all, I want to thank all of the people at the Australian mission to the United Nations. The mission allowed me to participate in my work there and at the UN. I had an extremely profitable time—I certainly learnt lots—and I had the opportunity to make a contribution in the United Nations General Assembly and then through the Third Committee. And I was able to put on a little of New York. Of course, the standout feature of my time there was the collapse of the trade towers and the terrorist attack on September 11.
I know absolutely that I will never be the same again—though, like everybody else, to a more or less extent, we go on living and we try to accommodate and incorporate the horror of that day. One of the things that worries me a little is that we know very well the horror of the people who died in the trade towers and we know the horror of the people who were lost in the aeroplanes, aeroplanes that were used as bombs, but I found it more than a little gruesome that aeroplanes and the passengers in them were turned into human bombs—a particularly horrifying element of the whole shocking day.

I also worry very much about the people who are being killed in Afghanistan and the people who are dying every day in Palestine and in Israel. Because we do not get the same kind of detailed coverage, we do not know to worry or grieve about the terrorism in other places. It is possible that we could not cope with that amount of grief, but I certainly think our response and our recognition of the horror of that terrorist attack should give us pause about the horror of terrorism and the violence of war wherever it is happening. If ever there is a time to be trying to campaign to see that no more war is the slogan that we live by, it is in the light of the events of September 11 and subsequently. Of course, I include previous experiences, but I am particularly wanting to highlight what happened in September and now the six-month anniversary.

I was joined in New York by Lou Lieberman, who was a member of parliament at the time, and his wife, Marge. I very much appreciated their presence and support while we were all coping together immediately after the disaster. We attended a very wonderful memorial service. The thing that struck me was the representation from so many religions and churches, including Muslim, Hebrew, Catholic, Episcopalian—which is the American equivalent of Anglican—Hindu, Buddhist and Maori. Representatives of those religions all spoke and also sang, and they sang extremely beautifully. I kept thinking, ‘If only the world would join in song, instead of throwing bombs at each other, what a much better place it would be.’ That was a dimension of the ceremony that I found very moving indeed.

I visited Ground Zero on a couple of occasions—not right into the heart of it, but pretty close. I do not need to tell people of the disturbing effect of that; in particular, the smell. I can best describe the smell as like burning dirt, with a fire that was still burning 10 weeks after the event. There were stories in the weekend papers of people who ran through the clouds of dust that completely blanked out light and caused the suffocation and death of a number of people. In that rubble was concrete dust, asbestos dust, glass dust and fibreglass and other particles. People who inhaled that and had it on their skin and in their eyes all suffered from it then and, no doubt, will suffer from it further into the future.

I was particularly moved, through all of this, because of the personal knowledge of Andrew Knox from Adelaide. I was able to attend a service in the Presbyterian church on Fifth Avenue which was held some time after the event—five or six weeks after the towers came down. The employers of Andrew Knox spoke in glowing terms about this young man, indicating that he was certainly someone special and how tragic the loss of his young and wonderful life is.

Turning to some other matters, I do not wish to complain at all, but, on our first day of the official office business, I was given two telephones—a big one and a little one—and they each had different systems for giving messages, getting messages and reading messages. They had different passwords and different security systems. So now I have four new passwords and two telephones with different systems coming and going. I certainly had to write it all down so that I knew how to drive these systems. Then I got another password so that I would know where to go to collect my mail. I must say that synchronisation and simplification of passwords would be a great asset to people other than myself, but certainly for me too.

One of the things I would like to put on the record is that the staff at the mission are extremely dedicated and hardworking. I could not speak too highly of them. They are very respectful of politicians and are much
more inclined to take their lead from us. I do appreciate their respect for politicians but they are not readily able to tell us—much as they might be tempted—how to do things or go about our business. But I certainly think the staff should be encouraged to presume that all advice would be welcome, which is a different thing from directing us.

The trouble was that, after the twin towers came down, the work of the General Assembly was significantly and dramatically interrupted. The children’s summit was deferred, and the young interns, Sarah Hudson and Brendan Grigg, and our youth representative, Kirsten Hagon, who arrived just before and just after the disaster, also had their opportunity to participate interrupted. I was particularly involved with the third committee in the UN mission; that is particularly concerned with resolutions about CEDAW—the Convention for the Elimination of All Forms of Discrimination Against Women—Beijing Plus Five and the status of women. The third committee was particularly assisted by Victoria Walker from Ottawa and Peter Hayward from Geneva. They came over in recognition of the amount of work this committee does.

The UN process was not new to me. I had some familiarity with it, so I could slip into the work of the committee reasonably easily, from meetings with JUSCANZ—Japan, United States, Canada and New Zealand—and the western group meetings. These were very good; we got a lot of work done and I was able to participate, but I did not get the opportunity to do much or to meet much with the countries in the G77 group, and that is a real shame because the possibility for interchange and exchange was somewhat curtailed.

The committees worked very hard. In particular I would like to commend Robyn Mudie, who was approached by other delegations for advice and assistance which was, of course, all willingly given and was one of the contributing factors to Australia’s excellent standing in the committee system and in the UN mission altogether. I could watch the representatives of the mission working with other country colleagues and, on some occasions, taking up the case for other countries—by suggestion, ways of negotiating through the system, and so on. We have an excellent reputation there.

I must say that old habits die hard. One night I left the United Nations at about 10 o’clock, having sat through committees for most of the day, and walked home up First Avenue. I thought: you have to be mad, Senator! Then I thought: no, it is just remembrance of times past in the Senate when you must stay sitting until 10 o’clock before you go home. I will come back to that later if I get the chance. I must say that walking along First Avenue at 10 o’clock at night was not an unhappy experience—quite the opposite.

One of the other things in recognition of Australia’s participation and standing was that Australia chaired the General Assembly debate on the terrorism resolution, which happened very soon after the twin towers disaster. I think it is another mark of respect for the standing of Australia there.

I spoke and presented the Australian statement on the rights of the child, on the International Year of Volunteers, on the Inter-Parliamentary Union, and on the Olympic Truce resolutions, and I was very much assisted in that by David Stewart and by every member there. I cannot name them all, but I would particularly like to acknowledge, on the record, the work of all the people working in the Australian mission. They were fantastic, helpful and very generous with their time.

Parliaments and the UN may be the only places in the world where they cannot keep to time. Nobody in business, on the stock market, in schools, in sports, in libraries, in public transport or in homes would say, ‘We’d like to finish by this Friday but it might indeed be Friday week—and, more excitingly, it might be Friday fortnight.’ It seems to me that one of the issues the UN needs to address is that of being a little more timely. I think it is very sweet of me to stand up in this place and offer some suggestions to the United Nations—I do not think it is going to get taken too seriously—but I do think it is important to acknowledge that it is extremely expensive for each day the United Nations sits. Seriously, in an organisation that is pressed for money and finance, I be-
lieve it is important to be able to say, 'This resolution will be completed on Friday afternoon,' and there should be ways in which that can be arrived at.

It is important, because one of the things that people appreciated was the debate about terrorism being effective, quick and significant. What a lot of people would really appreciate is less talk and more action from the United Nations. They do not mind the talk but, if the talk is the only action, that is not sufficient. If we did not have the United Nations, I think it would have to be designed at this time. There are ways in which it is clear that the challenges confronting the world cannot be met by countries standing alone, or even by countries working together. There needs to be some kind of formal framework for that to happen. We have that in the United Nations. I think it is particularly important that we build on the good work of the UN and the prospects for better international legislation and action rather than trying to design a new system or ignoring the UN altogether.

I was concerned about accountability. One of the things that interests me is the mainstreaming of women’s issues, particularly the language used—and it is used by the Howard government. It is a concern for me because I do not think sufficient accountability has followed the allocation of money for women and women’s services in the various departments. It is certainly a matter of considerable concern in the UN, and I think it is a matter of concern within the Howard government. I would like to see more accountability.

The women’s budget, which was one mechanism by which accountability was shown in this country, has been cancelled by the Howard government. In fact, just when Australia is deleting this, it is being introduced by other countries taking their lead from Australia and wanting to say how absolutely fantastic this initiative is—only to find that our country has deleted it. But it is a critical thing. If we are going to mainstream policies and services for women, then we absolutely must have the documentation to ensure that the allocations are known and can be defended or can be argued for if they are not sufficient.

I did a few other things besides the UN; I visited the Bronx with some old friends and some new American friends. I went to see a drug project and to meet people who work there. The visit was a very good opportunity to see more than Manhattan and to learn of the generosity and goodness of the people there—a different part of the riches of New York. So much of New York is only what happens in Manhattan. It does not sometimes reflect what goes on in Brooklyn, let alone what happens in the Bronx; and yet the Bronx is only five minutes away from the heart of Manhattan.

I visited UNICEF and UNIFEM. I was delighted to say hello again to my old friends Carol Bellamy and Noeleen Heyzer, both remarkable women heading those organisations. I was terribly proud the other morning to be hosting the 10th UNIFEM breakfast in South Australia, where the numbers in attendance probably made us the largest UNIFEM breakfast in Australia. I am extremely proud of the women and men who assisted but, principally, I am proud of the women who attended that breakfast on behalf of UNIFEM and women in development around the world.

I also went to UNFPA, and that was a bit of a worry because I was assured at the time that America would honour their contribution of payments to fund UNFPA. Since January, the US has withdrawn its funding contribution to UNFPA. I think this is an absolute tragedy. Europe, as I understand it, has increased its funding so the UNFPA will be able to continue its absolutely vital work. But prior to September 11—‘9-11’ as it is called—the United States was dragging the chain on its contribution, hundreds of millions of dollars, to the UN. In fact, after the disaster of September 11, that money was suddenly forthcoming when the United States realised how important the UN was to its campaign and for assistance at that time. I find it a bit cynical and a bit disappointing that we cannot have an ongoing commitment to the UN. It is also very disappointing that UNFPA—a family planning association helping the poorest women around the world—would not get the expected funding from the United States. I sincerely hope that
we can campaign and see America change its mind on that allocation of its funding.

One of the things that was a kind of comfort was the fact that the Australian Austrade mission had moved out of the World Trade Center a couple of years ago. Austrade, the Australian consul and the UN mission are all in one building and that makes for efficiencies. It also makes for easy exchange of information and support—indeed, the consul, Austrade and the mission worked very closely to assist Australians discomfited, distressed and shockingly upset after September 11. They put their efforts together and did a lot of wonderful work. I particularly thank the people involved: John Dauth, the ambassador to the Australian mission; Ken Allen, the consul general; and Austrade, headed by Geoff Gray. Those people worked tirelessly for and on behalf of Australia. I want to thank all those other people I have not named who worked in the mission, who have been extremely generous to me and who made my time there so fruitful and productive.

Australia have always been very active in the UN and we are very well placed to push for change in that organisation. I am not the first to say that and I will not be the last, but I hope it can be the case. Certainly it has been my experience over the last couple of months as I talked to many people in the electorate—many who voted for this government—that the clear message I am receiving is that they feel they have been let down. It is true: they supported this government’s position on border protection. But they are coming to realise, as the events unfold and as the facts come out, that they were used and abused by the government of this country during that election campaign. We have a population in this country at the moment that is deeply disillusioned with the political process because it is quite clear that what people were told during that campaign was not the truth. This government clearly cannot handle the truth, and it certainly avoided telling the truth on quite a number of important issues.

In his address opening the 40th Parliament on 12 February, the Governor-General set out, as is the tradition, the government’s views on its record and its proposals for the next term of government. A quick glance at that speech indicates that the government believes that issues such as security, prosperity, a thriving business sector, families, health care, welfare reform, flexibility and reward in the workplace, innovation, technology and higher education are all important issues to be addressed in the coming three years. They are the headings of each of the key sections of the Governor-General’s speech. But when you analyse what the Governor-General in his speech said on behalf of the government on those various issues and put what was said against the facts, you see a completely contradictory position. Firstly, let me deal with the issue of security. The Governor-General in his speech referred to the government’s commitment to:
... ensure that Australia maintains a strong and flexible Defence Force, able to act in the nation’s interest whatever circumstances may arise and in support of the principles of democratic freedom that Australians value so highly.

Senator McGauran—There’s nothing wrong with that.

Senator FORSHAW—I agree—very noble words; very noble sentiments. The problem, of course, is that what we now know, what has now emerged, is that the former Minister for Defence, Mr Reith, treated those very commitments with absolute contempt. I pay great tribute to the professionalism, the commitment and the courage of our service men and women. But what we have seen unfold in recent estimates hearings and what is continuing to unfold day by day is the duplicity of people within the government, within the ministry and the former ministry, who have by design or by neglect—or probably by both—deceived the Australian people.

Of course, I am referring here to what is known as the ‘children overboard’ incident. Admiral Barrie, in his appearance before the Senate estimates committee, said that when it came to Defence he was Defence with a capital D. This is government with a capital D, but the D stands for deception. I do not wish to canvass that issue any more tonight because, quite clearly, as the days and the weeks pass, more and more will come to light. More and more the duplicity and the deceit of the government’s campaign with respect to that issue will be exposed. And if there is one thing Australian people do not like it is being misled and lied to.

I recall one particular aspect of the federal election campaign, and that was the low level that some candidates for the coalition stooped to in order to try and win their seats. In the seat of Richmond one of the most notorious incidents occurred when the National Party candidate, now the Minister for Children and Youth Affairs, had circulated leaflets that said to the citizens of the electorate that if they voted for the Labor Party they were voting to have Afghan refugees, illegal immigrants, come to reside in large numbers in caravan parks in that electorate. You cannot get any lower than that sort of scurrilous campaign, that sort of appeal to prejudice, which appeals to people’s fears. We all remember the full-page ads in the last few days of the campaign and the identical posters that appeared at the polling booths echoing the Prime Minister’s words: ‘We will decide who shall come to this country.’

Senator McGauran—That’s right.

Senator FORSHAW—The senator opposite interjects, ‘That’s right.’ Of course, the message that was being conveyed in that campaign was that these were a group of people that should be kept out because of their race or because of where they came from. That was the real message that was being put out. We all remember the Prime Minister’s own views on another race question some years ago in respect of Asian migration. As I said, those issues will come to be discussed in much greater detail as the days and weeks go by.

This government also talked through the Governor-General’s address about a thriving business sector. You cannot get a bigger joke than that at the moment—a thriving business sector. Let us look at the examples of this thriving business sector. Ansett, one of the great icons amongst Australian companies, has just collapsed and Ansett’s 16,000-plus employees have lost their jobs. This started under the previous government when the then and still Minister for Transport and Regional Services, Mr Anderson, was asleep on the watch. He was being told that Ansett was in danger of collapsing, that one of the two major domestic and international airlines in this country was about to go up the spout. But he sat on his hands and did nothing, despite all the warnings. Now we no longer have Ansett in operation. As I said, it had 16,000-plus employees. The ultimate figure will be much greater than 16,000 because there are all those businesses that depended upon Ansett’s operations. I caught the plane down here from Sydney on Sunday night and, as I am sure is the experience of all senators who land at or depart from Mascot airport, you drive past the Ansett terminal and it is all in darkness. You look at it and you think, ‘How could we have allowed this to happen? How could any government have allowed this to happen?’
The coalition seek to lecture us about some of the problems that have occurred in the past. I do not deny some of the issues that occurred with state governments in South Australia and Western Australia with respect to the state banks. But, if you are going to throw stones, Senator McGauran and your colleagues—

The DEPUTY PRESIDENT—Address the chair, please.

Senator FORSHAW—then, through you, Madam Deputy President, you have got to accept responsibility for what has happened to one of the major companies in this country, Ansett. It no longer exists. And it was not the government that in the end sought to try and save it; it was the trade union movement—the trade union movement that you people hate so much that you were never prepared to lift a finger to try and help save that airline.

I can go on. One.Tel collapsed, with 1,600 employees losing their jobs. Why? Because of the regulator. This is the government that claim that they are presiding over a thriving business sector—their words, a thriving business sector—and one of the major Internet provider companies in this country just disappears, goes into liquidation, with billions of dollars of debt and employees losing their jobs. What does this government do? Nothing. The union movement again stepped in and picked up the pieces and ultimately achieved the full payout of employee entitlements for the employees of One.Tel.

HIH can be mentioned. Again, where was this government when this all happened? If you want to claim that your economic policies are producing a great thriving business sector, that you are the government that is managing this economy and creating the environment for businesses to survive, why is it that one of the largest insurance companies in this country collapses?

Senator Mackay—the regulator.

Senator FORSHAW—as Senator Mackay says, the regulatory authority, APRA, was asleep on the job. The minister was asleep on the job.

Debate interrupted.

ADJOURNMENT

The DEPUTY PRESIDENT—Order! It being 10.30 p.m., I propose the question:

That the Senate do now adjourn.

Health: Coeliac Disease

Senator BUCKLAND (South Australia) (10.30 p.m.)—I would like to speak on a medical condition that is little known but is one that we should recognise, particularly as tomorrow is the start of Coeliac Week. As medical research progresses, we find there is a greater awareness of a greater number of diseases, the symptoms of those diseases and the treatment of those diseases. One of the lesser-known diseases is coeliac disease, a condition that renders the sufferer intolerant to dietary gluten. Without becoming too technical in medical terms—something I am not capable of doing—it is a disease that affects the cells of the small bowel. The cells are damaged and the capacity of the body to absorb nutrients and minerals from food is seriously depleted. Sufferers of the disease are intolerant to some major food sources such as wheat, rye, barley, triticale and oats—somewhat distressful for the person who likes a beer after work or a fine malt whisky after dinner. I guess that is the reason why men are less rigid with the dietary restrictions of the disease than women once they have been diagnosed.

The disease was first recognised by a Dutch doctor in 1888 through his examination of children, but it was not until 1949 that it was diagnosed when a doctor was operating on a patient for another reason. It had also been noticed during the war years that people who were thin and suffering intestinal pains and cramps began to put on weight and have a reduced incidence of the cramps and pains because of their changed diets brought about by their circumstances. Medical research and observations by medical practitioners have led to the recognition that coeliac disease is more common than previously thought. There are no firm statistics, but it is believed thousands of Australians suffer from it, many undiagnosed. The prevalence of it could be as high as one in 500 and some commentators suggest it could be much more than this. Indeed, I understand that in New
Zealand researchers believe it could be as high as one in 200.

Coeliacs, even with the changing of their diets, are never cured—the disease remains with them. With removal of gluten from the diet, children and most adults return to being perfectly normal and will remain normal as long as they adhere to the diet. Despite greater awareness of the disease, it is still often slow to be detected because it has such a wide ranging effect on the body. It can be the cause of diarrhoea and constipation, fatigue, weakness and lethargy. It can lead to miscarriages or infertility, low blood calcium levels with muscle spasms, altered mental alertness, bone and joint pains, bowel tumours and type 1 diabetes. In children it can lead to lack of proper development and behavioural problems.

Currently in Australia very little research is being conducted in this area. There are small groups within hospitals that have done some research, but most of it gets done overseas. The Coeliac Society in Australia has had very few resources to fund research. They find it hard enough raising funds to keep the association going so that they can provide information and support to sufferers. In Western Australia, the society received a grant of $50,000 and in New South Wales the Department of Health gave the society $3,000. Other states have received no funding at all. This funding does not go very far. At the moment the staff of the society are spending a lot of their time trying to get funding—time taken away from providing the support that they are giving. They are raising some funding through subscriptions to their newsletter. Their subscriptions have increased considerably over the years to 11,500 nationally, which is indicative of the increase of coeliac cases in Australia. In New South Wales alone there are over 4,000 subscribers.

Five to six years ago, the Coeliac Society used to run out of the back room of someone’s house. Today they are experiencing problems with the transition from providing support to what used to be a small group to what has now become quite a large group and continues to grow. One of the first things that needs to be researched with this condition is the incidence of it—how many people suffer from it, taking into consideration that many people will remain undiagnosed. It is said that coeliac disease is a genetically acquired disease and in some cases an environmental one. Some research has been done to locate a gene for this disease. There have been some successful findings but they have not been definitive and have been done overseas. Once this research provides a definitive result, then screening can be done at an early age.

This early screening would prevent many of the associated outcomes of this disease, such as the early onset of osteoporosis, anaemia, type 1 diabetes and those others I referred to earlier. There is an absolute need at this time for money to be made available for proper research into this disease and the treatment of it. This week, from tomorrow, 13 March through to 20 March, is National Coeliac Week. It is an appropriate time for the government to give due consideration to providing funding for research into this debilitating disease.

Parliament House: Child Care

Senator LUNDY (Australian Capital Territory) (10.38 p.m.)—Yesterday, on 11 March, a survey on the child-care needs of workers in Parliament House was issued by the Joint House Department to the parliamentary departments. The survey forms are to be completed and sent to the consultants engaged for this exercise, Families at Work, by 22 March. It is important to understand that this has not happened overnight. In fact, this survey is a culmination of years of effort, of progress followed by disappointment to date. This time, however, there is a positive momentum and I would like to acknowledge the work of the Joint House Department, and of Peter Crowe in particular, in the lead-up to the issuing of this child-care survey. I also acknowledge the work of my colleague Senator Crossin and the cross-party, staff and press gallery committee that has been crucial to lobbying for effecting change to date, as well as the Labor status of women caucus committee which is also supporting the child care in Parliament House proposal.

This survey has followed an information circular of 12 February which had the pur-
pose of alerting those who work in Parliament House of the coming child-care survey. This circular was sent to departments to be circulated to all staff, and presumably to members of the press gallery, parliamentarians and their staff and contractors engaged in the building—whatever sort of work they do. On 8 March, last Friday, all occupants of Parliament House were emailed with survey contact details for each department. One person only in each of the five parliamentary departments has been designated as the person from whom the survey forms are available. This came as some surprise, because the information circular of 12 February stated that the survey was to be distributed to all Parliament House occupants. It did go out on time, on 11 March, but in the form of multiple copies to the five contact people, one in each department.

I believe that these arrangements for picking up the survey forms are likely to deter people from doing so. As a result of that view, I wrote to Peter Crowe of the Joint House Department asking that the survey form be sent as an attachment to an email to all occupants of Parliament House, as was the notification of the departmental contacts. One of the aims of the surveys—we need to be really clear about this—is that it should be completed by all Parliament House occupants, not only those with current child care needs. However, the response I received read:

The decision to provide hard copies of the survey was taken on advice from the consultants and in consideration of the fact that many of the occupants of Parliament House (particularly those who work in the basement) do not have access to dedicated computers. Additional quantities of the form and envelope have been provided to the Press Gallery, to Security and to West Block to cater for those who are not located close to the designated distribution points... To have sent the survey form as an attachment would have bogged the system.

I think it is worth noting the contradiction in this response in relation to the initial email but obviously only those with email would know the contact points for picking up the survey anyway. It is also worth noting that at least one collection point ran out of surveys at one stage. Many of us in the parliament who have supported the survey as a first step to at last gaining child-care facilities within Parliament House were disappointed that the original intention to provide a copy of the survey to all occupants of Parliament House had been changed. But, if it is thought necessary to supplement the individual approach to ensure a greater response rate, by all means let us have a ‘belt and braces’ approach and let us go to town with hard copies, email copies, as many copies of the survey as we can possibly make available to everyone in this building.

Another issue which the Labor status of women committee has found frustrating is that no differentiation was made in the survey between the type of child care people would use. In particular, there was no distinction between ‘at’ Parliament House or ‘near’ Parliament House. I think it is very important to say from the outset that when I talk about child care in Parliament House I mean in Parliament House. Workplace based child care is meaningful if it is in the workplace. I think it needs to be understood that that is how we hope to make positive steps to change, in a positive way, the lifestyles of people with child-care responsibilities. It needs to be in this building. So far, Peter Crowe reports that approximately 3,000 responses have been received, indicating that the email message has been received. A further information circular is to be distributed today and another reminder later this week to encourage maximum response.

I will be very surprised indeed if the survey results do not show that there is substantial need, demand and support for the provision of a child-care facility in Parliament House. After all, nearly seven years ago, the 1995 Joint House Department child-care survey found substantial demand from the occupants of Parliament House for approximately 65 to 75 full-time day care places. For a centre to be viable, a minimum of 44 full-time equivalent places need to be filled. Obviously, the need for places has grown since 1995. Locally, there are long waiting lists at child-care community and work based centres. No places are available for the under two years age group and demand for both full-time and occasional care has increased. So now, unlike the 1995 position, no existing
capacity exists in this area. For workers with family responsibilities based at Parliament House, their long and irregular hours of work place extra demands which would be alleviated by the availability of child care and after school hours care here in Parliament House.

I spoke here last August of the demand, dating back to 1981, for the provision of child care for this new and permanent parliament. Everyone then and since then has appeared to support the principle that child care must be available to the workers of Parliament House. Unfortunately, the question of where such a facility should be provided has caused disunity and division. Madam President and others, who in 1989 bitterly opposed the proposed siting of the child-care centre in the grounds of the old House of Representatives gardens, went to some lengths to put on record their support for the principle of having a child-care centre for parliament. In fact, all of the opposition expressed has historically always been only on the grounds of the unsuitability of any of the proposed positions.

It is time for this decision to be made and acted upon quickly. We should decide now that a child-care centre will be provided within Parliament House. I believe a suitable area is available and has already been identified within Parliament House. It is an area which is little used and which will require fewer modifications than others that have been proposed. This is an extensive area at the front of the building near the staff canteen. It presently contains two snooker tables, a pool table, and two table tennis tables, all of which could be separately located in staff amenity areas throughout the building. It already has toilets and plumbing and an outside fenced area.

It will be important to ensure that the claims on this area for a child-care centre, and its suitability, are not jeopardised by rushing through what I understand are approvals for upgrades to the staff canteen and non-members bar area that are currently pending. If they were rushed through it would probably preclude the opportunity that exists to place the child-care centre in that area. We realise that, for the child-care project to go ahead, the capital works budget would need special approval of additional funds for its structure. It could be taken into account that over the years of this debate, funds have been approved for child-care facilities, but they have not been used. Mischievous opponents of the proposal will argue that if the facility must be built in Parliament House, it should be built, say, on the second floor—obviously where the children would have no outdoor area. Another proposal that I have heard of is that, if the facility must be built within Parliament House, the most suitable area would be the pool and gym area. This would be a great way to create dissension and discord and to ensure many more years of inaction on the proposal. No doubt some will use the idea that it is politicians feathering their own nest and will want to drive that sentiment home in an effort to block this. Contrary to that, there are many thousands of staff in this building, and they are constituents of mine. Many of them live in the ACT or in the surrounding region and they deserve—like every person working in a large workplace—access to quality workplace based child care.

We should not stoop to cheap point scoring and games. This issue is too important. The desirability of providing a child-care centre for the parliament has been argued and accepted for over 20 years. That child care is an essential worker entitlement has also been long accepted. I call on senators, all parliamentarians, the Joint House Department, other departments and particularly the presiding officers to support and work in good faith towards enabling the provision of child care here in Parliament House. As a first step, let us ensure that the Joint House child-care survey receives widespread distribution and support. I urge all occupants of Parliament House to complete the survey.

**Senate adjourned at 10.48 p.m.**

**DOCUMENTS**

**Tabling**

The following government documents were tabled:


Australia-Indonesia Institute—Report for 2000-01.

Australian Centre for International Agricultural Research—Report for 2000-01—Erratum.


Copyright Agency Limited—Report for 2000-01.


Native Title Act 1993—Native title representative bodies—Reports for 2000-01—
- Cape York Land Council.
- Gurang Land Council (Aboriginal Corporation).
- Kimberley Land Council.
- Mirimbiak Nations Aboriginal Corporation.
- Nganaatyajara Council (Aboriginal Corporation).
- Queensland South Representative Body Aboriginal Corporation.


ScreenSound Australia—Report for 2000-01

Treaties—

Bilateral—

Text, together with national interest analysis and regulation impact statement—


Text, together with national interest analysis—

Agreement between Australia and Uruguay on the Promotion and Protection of Investments, done at Punta del Este, Uruguay, on 3 September 2001.

Agreement between the Commonwealth of Australia and the Kingdom of the Netherlands on Mutual Administrative Assistance for the proper application of Customs law and for the prevention, investigation and combating of Customs offences, done at The Hague on 24 October 2001.


Multilateral—Text, together with national interest analysis—

Convention on Jurisdiction, Applicable Law, Recognition, Enforcement And Co-operation in respect of Parental Responsibility and Measures for the Protection of Children, done at The Hague on 19 October 1996.


Tabling

The following documents were tabled by the Clerk:


Sydney Airport Curfew Act—Dispensations granted under section 20—Dispensation No. 2/02 [2 dispensations].

Indexed Lists of Files

The following documents were tabled pursuant to the order of the Senate of 30 May 1996, as amended on 3 December 1998:

Indexed lists of departmental and agency files for the period 1 July to 31 December 2001—Statements of compliance—

Agriculture, Fisheries and Forestry portfolio.

Commonwealth Ombudsman.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Imports: Motor Vehicles
(Question No. 58)

Senator Allison asked the Minister representing the Treasurer—With reference to import tariffs on 4-wheel drive (4WD) vehicles, upon notice, on 12 February 2002:

1. How many 4WD vehicles are currently being imported into Australia.
2. What percentage of 4WD vehicles are used in primary production or primarily for business purposes.
3. How many 4WD vehicles have been imported into Australia in each of the past 5 years.
4. How many second-hand 4WD vehicles have been imported into Australia during each of the past 5 years.
5. How many of those used imported vehicles ran on: (a) diesel; (b) gas; and (c) petrol.
6. How many 4WD vehicles imported into Australia in the past 5 years have not attracted the luxury vehicle tariff/tax.
7. What was the total import tariff/tax revenue derived during the 2000-01 financial year from 4WD vehicles.
8. How much of that revenue is derived from the luxury vehicle tariff/tax.
9. What is the total import tariff/tax revenue forgone as a result of imposing only a 5 per cent instead of the 15 per cent tariff/tax which other passenger vehicles attract.
10. What is the projected revenue loss for the 2001-02 and 2002-03 financial years because of that discrepancy.
11. What is the policy justification for the differential tariff/tax rates between 4WD and passenger vehicles.

Senator Minchin—The Minister for Industry, Tourism and Resources has provided the following answer to the honourable senator’s question:

1. Vehicle import figures for the 2001 calendar year are not yet available. International merchandise trade statistics collected by the Australian Bureau of Statistics (ABS) show that in the year 2000 there were 83,254 new motor vehicles entered as four wheel drives or off road vehicles.
2. The Commonwealth does not hold figures on the primary use of four wheel drive and off road vehicles.
3. ABS statistics show the following numbers of new four wheel drive and off road vehicles were imported into Australia during the past five years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>73,607</td>
</tr>
<tr>
<td>1997</td>
<td>93,236</td>
</tr>
<tr>
<td>1998</td>
<td>123,525</td>
</tr>
<tr>
<td>1999</td>
<td>111,513</td>
</tr>
<tr>
<td>2000</td>
<td>83,254</td>
</tr>
</tbody>
</table>

4. A total of 18,806 second hand 4WD vehicles have been imported in the past five years as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>1,435</td>
</tr>
<tr>
<td>1998</td>
<td>2,368</td>
</tr>
<tr>
<td>1999</td>
<td>4,741</td>
</tr>
<tr>
<td>2000</td>
<td>5,290</td>
</tr>
<tr>
<td>2001</td>
<td>4,972</td>
</tr>
</tbody>
</table>

*These figures do not include personal imports.

5. Figures are not available on the types of fuel used by second hand 4WD vehicles that have been imported into Australia.
(6) There is no luxury vehicle tariff. However, all vehicles (including 4WD vehicles) priced over the luxury car tax threshold attract luxury car tax (LCT) in respect of the value of the vehicle in excess of the LCT threshold. The LCT threshold is the car depreciation limit that applies under Subdivision 42-B of the Income Tax Assessment Act 1997 (currently $55,134). The Government does not publish figures on the numbers of four wheel drive and off road vehicles not subject to LCT.

(7) The Government does not publish disaggregated revenue figures from the GST or LCT. It is therefore not possible to calculate the total tax/tariff revenue derived during the 2000-01 financial year from sales of four wheel drive and off road vehicles. Estimates of tariff revenue can be derived from ABS international merchandise trade statistics, which show that the 83,254 new four wheel drive and off road vehicles entered in the year 2000 had a combined customs value of $2,194.6 million. Within this group, 70,228 vehicles were entered as goods-carrying vehicles, at a 5 per cent rate of duty, generating an estimated $95.1 million in duty revenue, based on a customs value of $1,900.9 million. The remaining 13,026 vehicles were entered as passenger motor vehicles, at a 15 per cent rate of duty, generating an estimated $44.1 million in tariff revenue, based on a customs value of $293.7 million.

(8) See (7).

(9) Assuming purchase decisions and pricing were not affected, applying a rate of 15 per cent to all four wheel drive and off road vehicles entered in the year 2000 would have generated a further $190.1 million tariff revenue.

(10) The Government does not publish forecasts of four wheel drive and off road vehicle imports. Consequently, revenue estimates for these goods for the 2001-02 and 2002-03 financial years cannot be calculated.

(11) Different import duty rates exist for motor vehicles principally designed for the transport of people and motor vehicles designed for the transport of goods. In general, vehicles designed to carry people have a tariff rate of 15 per cent, while vehicles for the carriage of goods have a 5 per cent rate of duty. Four wheel drive vehicles fit into one or the other of these categories depending on their construction.

The tariff setting for passenger vehicles has for some time been at a different rate to that applying to goods carrying or commercial vehicles. The lower duty rate on commercial vehicles reflects the relatively high business usage of this class of vehicle and the fact that only a small percentage of Australian made vehicles fall into this category.

Communications: Casualties of Telstra

(Question No. 82)

Senator Harris asked the Minister for Communications, Information Technology and the Arts, upon notice, on 12 February 2002:

(1) Why did the Minister’s office take from 14 June 2000 until 14 November 2000 to initially respond to a freedom of information (FOI) request by Kenneth Ivory, in relation to ‘Casualties of Telstra’ (COT) related matters.

(2) What action is the Minister going to take to rectify the fact that the department’s delay has, whether intentionally or inadvertently, resulted in Mr Ivory not having FOI documents and not being in a position to present his case in January 2001 to the Supreme Court of Queensland.

(3) Is the Minister aware that this FOI delay potentially had the same effect as in the five COT cases listed in Schedule A and Schedule B of the Senate working paper of 1997, whose matters also related to breaches of FOI by Telstra.

(4) What action will the Minister take to have Telstra, or the relevant department, settle Mr Ivory’s damages immediately.

(5) Why were Mr Ivory’s (Solar-Mesh) COT-related matters not settled prior to the Telstra ‘T2’ float, under the same terms and conditions as the five COT cases listed in Schedule A of the Senate committee’s working paper of 1997.

(6) Will Mr Ivory’s damages claim immediately be resolved, under no less than the same terms and conditions as the five resolved COT cases listed in Schedule A that were settled just before the T2 float; if not, why not.
(7) (a) How many people with COT-related issues has Telstra had arrested, or attempted to have arrested, under a mental health warrant, peace and good behaviour warrant or criminal warrant.

(8) Was the purpose of that action to assist Telstra to assassinate the character of the COTs and to conceal the truth about systemic faults, to comply with Freehill, Hollingdale and Page’s ‘COT case strategy’, dated 10 September 1993.

(9) How many of these COT-related matters have already been settled.

(10) Against how many people with COT-related issues has Telstra and/or its lawyers prevailed on federal or state police to falsify police records to assassinate those people’s character and reputation to assist in concealing the truth about Telstra’s defective network, by use of corporate thuggery and neglect of duty of care.

(11) Were any Telstra employees (and/or their agents) involved in having police records and/or mental health reports falsified to cause injury to COT-related people; if so, who were they.

(12) What are the names of the police officers, medical practitioners, or others (and/or their agents) involved in having COTs defamed, intimidated, harassed or wrongfully arrested and who have been obtaining either mental health warrants, bogus psychiatric reports or bogus psychologists assessments made, based solely on information from Telstra or its agents, or who were involved in apprehension warrants being wrongfully obtained against COTs.

(13) (a) Were any persons from within or associated with the Minister’s office involved in the actions described in (12); if so, who were they; and (b) were any of these warrants ever condoned by the Minister.

(14) Were any Telstra employees (and/or their agents) involved in wrongfully obtaining warrants; if so, who were they.

(15) Did Telstra’s former chairman, Mr David Hoare, have any conflict of interest.

(16) What other directorships has Mr David Hoare held from 1990 to date.

(17) Did any conflict of interest occur when Mr Stephen Mead, while seconded from Mallesons Stephen Jaques to Telstra, became in January 1996 a partner in Mallesons Stephen Jaques, while remaining on secondment to Telstra.

(18) On what specific date did Mr Stephen Mead cease being a seconded employee of Telstra.

(19) Is there any outstanding Telstra documentation that has not been provided under FOI and discovery processes; if so: (a) why has there been a delay in providing that information; and (b) when can Mr Ivory expect to receive that outstanding information, whether professional legal privilege has previously been claimed or not.

(20) Are there any outstanding documents under FOI and non-party disclosure in the Minister’s offices; if so, when can Mr Ivory expect to receive this outstanding information, whether professional legal privilege has been previously claimed or not.

(21) Did Telstra employee, Mr Armstrong, attempt to have Mr Ivory sign a Telstra deed of settlement in January or February 2001, to walk away from his claims against Telstra and Mr Mead.

(22) Was the Minister aware that Telstra was attempting to have Mr Ivory commit illegal and unauthorised acts had he signed the settlement deed.

(23) Has the Minister condoned unconscionable conduct by Telstra’s authorised officer in his attempt to silence Mr Ivory’s claims while Mr Ivory was unrepresented.

(24) Why did Telstra refuse to pay for Mr Ivory to seek independent legal representation to advise Mr Ivory of Telstra’s proposed settlement deed terms that Telstra tried to force Mr Ivory into signing without time or money to seek advice before Telstra withdrew the settlement offer.

(25) What action will be taken under administrative law to prevent such mismanagement of Telstra continuing to unjustly sabotage Mr Ivory’s life and livelihood.

(26) (a) Why did Telstra take from 11 May 1994 until 1 June 1994 to test Mr Ivory’s 1800 prefix complaint.

(27) (a) Is it Telstra’s policy that, when any line/number fault is reported it is logged into Telstra’s fault reporting system; (b) is it correct that a standard set of remote tests are immediately conducted in the first instance; and (c) if the fault cannot be rectified or found remotely, is a field technician
dispatched to attend the premises; if so, why was this process not followed with Mr Ivory’s 1800 fault complaint.

(28) Why did Telstra only test the 1800 fault reported by Mr Ivory after the fault had been rectified at the exchange on the 31 May 1994.

(29) Did Telstra fabricate and falsify its records and documentation to conceal the 1800 prefix systemic fault.

(30) How many 1800 subscribers did Telstra have in September 1993.

(31) Why has Telstra withheld ‘as obviously irrelevant’ information consistent with the possibility of proving innocence.

Senator Alston—The answer to the honourable senator’s question is as follows:

(1) The reasons for delay in responding to Mr Ivory’s Freedom of Information Request (FOI) request in relation to ‘Casualties of Telstra’ (COT) related matters fell into two parts:

   (i) delay caused by the management of his correspondence through the Department of Communications, Information Technology and the Arts’ Parliamentary Correspondence Management System (PCMS); and
   (ii) other delays in identifying the documents covered by the request, including attempts to clarify the scope of the request, responding to related correspondence concerning litigation, and consulting with a third party regarding personal information.

(2) I am unable to comment on Mr Ivory’s legal action in the Supreme Court of Queensland. In relation to PCMS related delays, all FOI requests are now allocated to the Legal Group in PCMS for action to ensure that requests that originate in this way are promptly assessed.

(3) I am not able to comment on the potential effects of the FOI delay in relation to Mr Ivory.

(4) Telstra has been a corporation subject to Australia’s corporations law (now the Corporations Act 2001) since 1991.

   Consistent with the arrangement for Government Business Enterprises, Telstra’s Board and management are responsible for the day to day running of Telstra’s operations. The Government’s role is mainly to establish the legislative framework within which all telecommunications service providers (including Telstra) must operate. The Minister for Communications, Information Technology and the Arts does not have specific legislative power to direct Telstra to settle compensation claims. Nor would it be appropriate to do so. Mr Ivory has no damages claim against the Department of Communications, Information Technology and the Arts.

(5) to (12) Neither I nor the Department of Communications, Information Technology and the Arts hold the information requested by Mr Ivory.

   Mr Ivory has a number of options to obtain information, if it exists, from Telstra, including asking Telstra for the information, legal action through the courts or seeking information under Freedom of Information (FOI) legislation.

   Should Mr Ivory have evidence of unlawful activities, he should bring this to the attention of the police. If he has concerns about the conduct of Telstra he has the option of asking the Commonwealth Ombudsman to investigate the matter. If Mr Ivory believes he is entitled to receive compensation or damages under statute law or common law, he can take legal action through the courts.

(13) (a) No persons from within or associated with my office were involved in the actions described in Question 12. (b) Given the response to 13(a) this question is not applicable.

(14) to (19) See answer to question (5).

(20) I am not aware of any outstanding documents.

(21) See answer to question (5).

(22) No. Should Mr Ivory have evidence of unlawful activities, he should bring this to the attention of the police. If he has concerns about the conduct of Telstra he has the option of asking the Commonwealth Ombudsman to investigate the matter.

(23) No.

(24) to (31) See answer to question (5).