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

PERSONAL EXPLANATIONS

Senator MINCHIN (South Australia—Minister for Finance and Administration) (12.30 p.m.)—I seek leave to make a personal explanation.

Leave granted.

Senator MINCHIN—In answer to a question on Thursday last week in my capacity as Minister representing the Minister for Industry, Tourism and Resources, I congratulated the Australian Magnesium Corporation’s Stanwell project on their groundbreaking ceremony. I referred to the ceremony taking place on that day—that is, last Thursday. That was based on incorrect advice. I am now advised by the company that the ceremony will take place on Thursday of this week. I wanted to clarify that for the Senate.

AUSTRALIAN DEMOCRATS: LEADERSHIP

Senator ALLISON (Victoria) (12.31 p.m.)—I seek leave to make a brief statement about the leadership of the Australian Democrats.

Leave granted.

Senator ALLISON—On behalf of the Australian Democrats, I inform the Senate that, following the resignation of Senator Stott Despoja as party leader, Senator Brian Greig is interim leader of the Australian Democrats until the result of the membership ballot, now in progress, is known. The deputy leadership remains unchanged, and there are no changes to portfolio responsibilities.

COMMONWEALTH ELECTORAL AMENDMENT BILL (No. 1) 2002
Second Reading

Debate resumed from 22 August, on motion by Senator Abetz:

That this bill be now read a second time.

Senator McLUCAS (Queensland) (12.32 p.m.)—When debate was adjourned last week on the Commonwealth Electoral Amendment Bill (No. 1) 2002, I was discussing the federal cabinet’s recent visit to Cairns and the associated Liberal Party fundraising opportunities. Our figuring put the potential profit at $135,450, which also included a fundraising breakfast with Senator Vanstone. In today’s letters to the editor section of the Cairns Post, Mr Peter Clark, a well-known Liberal in the area, advises that only $30,000 was raised from the dinner. Only $30,000? I have to inform Mr Clark that that is big money to be made from a political fundraiser in a regional town like Cairns.

If we can believe Mr Clark, it was a much more cosy affair than we were earlier led to believe. I say ‘if we can believe’, because Mr Clark then goes on to outline the proceeds of a tribute dinner to the former Treasurer of Queensland, Mr Keith Delacy, held by the Labor Party in 1999. Mr Clark says that entry was worth a lot of money but, for the record, all tickets for that dinner were $50, with the exception of tickets sold to people who were unwaged, which cost $40. That is nowhere near $2,000, Mr Clark. Mr Clark’s informant, if in fact there is one, got it wrong on the auction, too. There was no Tony Blair book, no picture of Westminster, no Bob Hawke poster and nobody paid $5,000 for them. Sorry, Mr Clark. I think you are just making it up as you go along. Further, dinner with a former Prime Minister is very different from having to pay to gain access to the current one. Political parties have to raise funds, but to do it by selling access in such an obvious way borders on the obscene. This fly-in fly-out profit-seeking would make the member for Ryan proud.
ing similar agreements, because they have not tried to abuse the parliament by resolving internal disputes with legislation. I think Senator Ray was granted leave to table a stamp the other day for Mr Crosby to write to the Queensland branch and say, ‘Do what every other party does and organise the public funding to come in centrally.’ But they cannot get that level of cooperation. So here we are, wasting the Senate’s time with stupid, trivial, internal Liberal Party shenanigans that ought to be addressed internally.

I will not pass up the opportunity to consider the absolutely woeful state of the Liberal Party in my home state of Tasmania. The recent Tasmanian state election was a complete debacle for the Tasmanian Liberal Party and shows obviously that the Tasmanian Liberal Party, such as it is these days, is totally out of step with the Tasmanian electorate. In fact, their vote at the last state election was 27 per cent. When the Labor Party hit the nadir of 28 per cent in 1990, I thought we were doing pretty badly; but 27 per cent beats us at our worst. It is absolutely disgraceful.

As a result of this, the Federal Director of the Liberal Party, Mr Lynton Crosby, was called in—I feel very sorry for him—to produce a report on what happened to the Liberal Party in Tasmania. I have to say that it is extremely interesting reading. Anybody who has any interest in campaigning or politics, which is everybody in this chamber, should have a really good look at this. It is very interesting and—I do not think intentionally—it is also very amusing. I will be quoting extensively from this report. In his report, Lynton Crosby somewhat obviously makes the statement that the Tasmanian branch is rife with disunity and based on a flawed culture. He says:

...the election result was regrettable inevitable—the product in part of flawed processes which themselves were the product of a flawed culture.

The term ‘massive understatement’ pops into my head in relation to that. Mr Lynton Crosby goes on to say:

The culture must change so that professionalism and competence are the motivating influences of the Division—not internecine battles which are self-serving and erode the Liberal Party’s capacity to be the effective political machine that success demands.

‘Somewhat axiomatic,’ people in the chamber are probably thinking to themselves, but things are obviously so bad in the Tasmanian Liberal party that you have to get back to those sorts of basics. Anybody who lives in Tasmania or has any interest in Tasmanian politics knows that, at the heart of it, responsibility for this debacle lies with Senator Abetz—or ‘Comrade Abetz’, as Senator Ray calls him. I would just like to go through some of the strategies that Senator Abetz put in place in terms of his vice-like grip on the Liberal Party in Tasmania, for which we are eternally grateful, and long may it continue.

First, Senator Abetz was responsible, as we understand it, for putting Bob Cheek into the leadership position and knocking off Sue Napier. Sue Napier was doing a reasonably good job, from our perspective—genuinely, she was doing quite a good job. I am not sure why—perhaps Senator Abetz did not like her, or Mr Bob Cheek was a good mate of his, or whatever—but she got the punt and in came Bob Cheek, and the rest, as they say, is history. Secondly, he was responsible, as I understand it, for knifing Greg Barns, who has subsequently joined the Democrats—maybe an action which he will regret more than joining the Liberal Party way back in the dim darks. Greg Barns made some public statements, which Senator Abetz did not like, in relation to the government’s position on refugees. For that, it was made very clear, and there was a resolution of the state executive, that he would not be allowed to run in the forthcoming Tasmanian state election.

I have to say that is something we are also eternally grateful for, because, as far as we were concerned, Greg Barns was a real problem. Had he been allowed to run and had he got in in Denison—I do not know whether or not he would have—Greg Barns would have been a problem for the Labor Party. Again, we can thank Senator Abetz for his assistance, which he just keeps on giving, to the Labor Party in Tasmania. Thanks very much for knifing Greg Barns. We thought he was a problem but now Senator Abetz has fixed it for us. That is terrific.
Before I go to the next issue, I read in the Hobart Mercury that Greg Barns made an eleventh-hour appeal to Mr Bob Cheek, the erstwhile leader of the Liberal Party in Tasmania, and said, ‘Let’s let bygones be bygones; how about letting me run?’ Bob Cheek replied—and this is in the paper—‘It’s not up to me; you’ll have to ask Eric.’ This is the leader of the Liberal Party in Tasmania saying that a prospective candidate had to check with Senator Abetz as to whether there was any capacity for him to run—somebody with a national profile, might I add.

The other thing that Senator Abetz has overseen in his longstanding time as one of the leading lights, if not the leading light, of the Liberal Party in Tasmania is the increasing demise of the number of women in the Liberal Party in Tasmania. The other week I noticed that Liberal Party senators had put out a pamphlet to various electorates in Tasmania, with all their pictures at the bottom, running from left to right and in no particular order from what I could establish. When you looked at it, one thing became extremely obvious: there was not one woman. In fact, it was basically the same grey, boring old blokes. So there is not one woman in the federal Liberal Party in Tasmania.

Who knows, had the Liberal Party won any seats in Tasmania in the last couple of elections, maybe there would have been a woman but, to my recollection, there were no women candidates. Of course now, out of the paltry seven Liberal Party members in the Tasmanian state parliament, only one is a woman, and that is poor old Sue Napier, who was knifed by Senator Abetz. Clearly, the electorate have spoken pretty well about what they think happened there.

Senator Abetz and his colleagues—particularly Senator Barnett, who is a very good friend of Senator Abetz and thinks very similarly—are basically using the Tasmanian electorate as a bit of a playpen for their own petty ideological and totally out-of-step views. Let us look at the results of the last Tasmanian election: Jim Bacon was resoundingly elected. What was Jim Bacon’s previous job? Jim Bacon was the secretary of the Tasmanian labour council. What was the previous job of the Deputy Premier, who also was resoundingly elected? He was also secretary of the Tasmanian labour council. Both of these people are long-time and proud union officials—and guess what? They were elected in spades in Tasmania, a state which in the past has not been noted for its progressive views, but that is fast changing under the tutelage of the Premier of Tasmania, ex-Secretary of the Tasmanian Trades and Labour Council, Mr Jim Bacon.

The reality is that, as Senator Ray has indicated before, we are very happy with Senator Abetz remaining in a key position in the Liberal Party. I would be very keen to find out how many Liberal Party members there are in Tasmania. I understand it is an increasingly small number. The reality in politics—we are all in the game, so we understand it—is that it is a lot easier to control very few people. If you want to control a party, you do not encourage new members, you do not encourage talent, you stifle debate and then you have an increasingly small group that you can control. Clearly, this branch is all about control and being the playpen for few totally off-the-wall, extreme right-wing ideologues. I noticed that the Crosby report says:

It is essential that there be an overriding commitment to good outcomes for the Party, rather than an obsession with self-interest and internal processes.

So say all of us, and I would have thought that that would have been the bottom line in any political party. On Tuesday last week, we saw in Tasmania a clear example of the type of activity to which the Crosby report alludes, with the appearance of the newly elected Liberal representative for Braddon, Mr Brett Whiteley, in the Devonport Magistrate’s Court to answer charges relating to his distribution of an unauthorised how-to-vote card during the election campaign. For the edification of the Senate, I will take people quite slowly through this because it is important. Mr Whiteley was charged with distributing matter containing the names of candidates without the consent of the candidates—which, under the Tasmanian Electoral Act, is an offence—the other candidates being the other Liberals that he was running
against in Braddon. I have here a copy of the how-to-vote card, which I will seek to table later.

This is a clear breach of the Electoral Act in Tasmania and, accordingly, Mr Whiteley pleaded guilty. What else could he do, I suppose? Apparently, 3,000 of these illegal how-to-vote cards were distributed before their illegality was exposed four days before the poll date. In his interview with the police on 24 July, Mr Whiteley said he had planned for several months before the election to put out these illegal how-to-vote cards in an attempt to get his personal vote up. Those of us who have been in politics and in campaigning know that it takes a long time to organise a how-to-vote card; you do not just do it on the spur of the moment. Mr Whiteley, to his credit, fessed up, pleaded guilty and indicated that he had taken a long time in terms of the planning. So it was not a spur-of-the-moment thing as far as Mr Whiteley is concerned.

Mr Whiteley admitted to police that he knew that it was an offence under the Electoral Act to use other parties’ candidates’ names without their consent. So he was totally culpable from the outset; he knew and he still proceeded. In other words, this knowingly illegal act was part of his strategy to be elected as a Liberal representative for Braddon. This is really, as far as I can see, a clear demonstration of what Mr Crosby calls the self-interested and self-serving activities which are rife in the Tasmanian Liberal Party. Many people might expect that a premeditated breach of the Electoral Act would be grounds for expulsion, but oh no, not in the Liberal Party in Tasmania. He is not going to be expelled; he is going to stay there. He is the Liberal Party member for Braddon now.

I wish to indicate here in this chamber that speculation in Tasmania is rife that Senator Abetz assisted Mr Whiteley in the strategy concerning the how-to-vote cards. I personally find this very difficult to believe. I find it difficult to believe that the minister whose portfolio covers the Australian Electoral Commission and the management of the act would knowingly participate in what was clearly a breach of the Tasmanian act. I find it very difficult to believe; I am not sure whether or not it is true. But one of the things that this debate allows us to do is allow Senator Abetz to come into the chamber and advise on the following: did he or didn’t he assist Mr Whiteley in this illegal activity; to what extent did he have discussions with Mr Whiteley; did he speak to Mr Whiteley; did he participate in the drawing up of the how-to-vote cards; and what advice did he provide Mr Whiteley and when? As I said, I find it difficult to believe that the minister for this area would have done this, because to do so would have been to participate knowingly in an illegal act. That is why I raise it here in this chamber: I want to give Senator Abetz the opportunity to come in here and clarify.

For a Labor Party person to hear about this, in terms of the internecine warfare that is going on in the Liberal Party, is not particularly usual. This is the subject of gossip all over—

**Senator Ian Campbell**—Mr Acting Deputy President, I rise on a point of order. Could you please rule on whether it is in order for a senator effectively to make an allegation of illegality against another senator and then challenge that senator to come in here and answer that allegation? The honourable senator opposite has quite clearly made an allegation against another senator, and I think we need a ruling on the standing orders as to whether or not that is within those orders.

**Senator Mackay**—On the point of order: I really appreciate this opportunity to clarify. I am not saying that Senator Abetz was involved in any illegal activity—I am not saying that; I am saying that I have heard that. I am also saying that I find it very difficult to believe that he has. All I am suggesting is that he may wish to take this opportunity to clarify the situation. I am not accusing anybody of any illegal activity.

**The Acting Deputy President (Senator Ferguson)**—I think that has clarified the situation, Senator Campbell. If Senator Mackay has said that she is not accusing Senator Abetz of any illegality, I would rule that she is in order.
Senator MACKAY—Thank you, Mr Acting Deputy President. It is common gossip in the north-west of Tasmania that this has occurred. I will reiterate that I find it difficult to believe. I do not think that anybody would be that silly, particularly not the minister. But I think that it is in the interests of Senator Abetz, of the political process which we all participate in and of the due processes of parliament—

Senator Ian Campbell—Mr Deputy President, I rise on a point of order. Could I ask you to take to the President the Hansard transcript of this. I think the problem we are facing here is that I could say that it is common gossip around the suburbs of Perth that Senator Mackay does very strange things illegally, that I do not believe that she does but that she should come in here and explain her private activities which are common gossip around the suburbs of Perth. It is tantamount to making an accusation. It is a gutless way of making an allegation—

The ACTING DEPUTY PRESIDENT—Order! You must withdraw that, Senator Campbell.

Senator Ian Campbell—It is a gutless way of making an allegation.

Senator Mackay—Withdraw!

The ACTING DEPUTY PRESIDENT—Senator Campbell, I ask you to withdraw the term ‘gutless’.

Senator Ian Campbell—It is not a reflection on the senator, but I will withdraw it. If any senator comes in here and says that another senator is alleged, because it is common gossip around some part of Australia, to have done something illegal and that they therefore challenge that senator to come in here and say that it is not illegal, then—

The ACTING DEPUTY PRESIDENT—Senator Campbell, you are debating the issue.

Senator Ian Campbell—that is a gutless way to make an accusation. I would ask you, Mr Acting Deputy President, for a ruling on whether this is appropriate. I ask for the transcript of Senator Mackay’s contribution here today to be referred to the President for a ruling and for him to report back.

The ACTING DEPUTY PRESIDENT—Senator Campbell, I have already ruled on the point of order, but I will get the transcript and I will refer it to the President to see whether any further action needs to be taken.

Senator MACKAY—I did not take up the Senate’s time by speaking to that point of order, but this sort of stuff happens routinely, and one of the worst recidivists is Senator Abetz, who comes in here and makes allegations and has done so against me and a number of other senators. I am being extremely careful because I personally do not believe it to be true. However, I think the minister has to come in here and clarify that it is not true, because that scuttlebutt is going around Tasmania reflects on all of us. I just want clarification. I am sure that if Senator Abetz were aware of it he would want to come in here and clarify it. So I have made the case in relation to that. As I said, I find it really difficult to believe but I would like to know the answer, as would many, I suspect. I am sure that it is not the case.

The Crosby report contains what must be some sort of record—a total of 94 recommendations dealing with the Liberal Party in Tasmania, which shows that just about everything that could go wrong with a state political party is going wrong in Tasmania. Yet—and thank you very much to the other side for this—we still have Senator Abetz front and centre in the Liberal Party in Tasmania and for that we are eternally grateful. Long may he reign. It is no wonder that the federal Liberal Party has been driven to include what is colloquially known as the ‘dash for cash’ in this bill. They need to keep bailing out people like Senator Abetz. But, according to Lynton Crosby’s own report, the Tasmanian Liberal Party is in a dire financial state. It is so badly managed that it is barely capable of meeting its own administrative expenses.

We know about this in the Labor Party in Tasmania. We went through a very difficult exercise in 1992 after the intervention in Tasmania. We were faction riven, we had no money, we were down to 28 per cent of the vote and we went through a very painstaking reconstruction of the Tasmanian branch. One
of the things that we did—and this is a bit of gratuitous advice for Senator Abetz—was ask the people who were the problem, in terms of creating this internecine warfare in the Labor Party, to step aside for a little while in order for the branch to reconstruct. Then we reconstructed, we had new rules, we essentially got our campaigning act together and we went from strength to strength to the point where we are today: we have five federal seats in Tasmania all being held by the Labor Party and we hold state government in spades.

As another result of the Crosby report, Senator Abetz sent what could be described as an SOS to the Prime Minister that the branch needed a bit of assistance after what was a humiliating debacle. ABC Radio advised that Senator Abetz had been given an extra staff member to assist the Liberal Party in Tasmania. I do not know what other senators think about the act but my understanding of the act is that you cannot just get extra staff to help out for party political reasons; you cannot just send an SOS. He is the minister, so who would he go to? It is like Caesar judging Caesar. He has an extra staff member—and I have a great deal of time for this person, so this is not a personal thing—who just happens to be John Shaw, who used to work for Senator Brian Harradine. I feel a bit sorry for Mr Shaw, because he has been given the poison chalice, as it were.

I want the minister to come in here and indicate what the rules are in relation to staff, be they electorate or ministerial. Is it appropriate that, as a result of an internal Liberal Party report, Senator Abetz gives himself an extra staff person to do, absolutely and entirely, party work? Now that Senator Abetz is here, I would appreciate clarification in relation to that. Now that Senator Abetz is here there are two things I would like clarified. The first one we have been through in great detail: the allegation in relation to Brett Whiteley, which I find very difficult to believe. The second one is this: what were the circumstances and issues surrounding the additional staff person? We would all like to know that.

Time does not permit me to go through the Crosby report in great detail but be assured that I will be doing so in various speeches, because it is a hoot. Anybody who has ever been involved in campaigning at a basic level would find this quite an amusing document but I will be going through it at another time. I will leave you with one quick quote from Mr Crosby’s report. It is headed ‘The Liberal Strategy’, and the first sentence is:

There was no real Liberal campaign strategy.

That is just a taste of what we will attempt to put down over the next few weeks in relation to this report.

**Senator LUDWIG (Queensland)** (12.56 p.m.)—A little bit of the story of the Commonwealth Electoral Amendment Bill (No. 1) 2002 has been lost, perhaps, since the debate began, but let me remind the Senate that this bill is about an attempt by the Howard government to centralise the receipt of public finding by the Liberal Party from the November 2001 election. The Finance and Public Administration Committee recommended, as you would expect, that the bill be proceeded with ‘expeditiously’. I must say that is a phrase I have not seen recently in committee reports about bills. Labor has been strongly opposed to the bill and produced quite a good minority report outlining why the bill should not be proceeded with.

But the import of the bill—and let me make this quite clear—is to override the Commonwealth Electoral Act in certain respects. The act provides that public funding is paid to the agent of the state or territory branch of the party for which the candidate stood. There is also a mechanism which allows the state branches to request the payment to be made to another party, and this amendment short-circuits this process. Rather than allow the state branches effectively to get together and talk about how to distribute the funding, we have a bill that says it should go to the national organisation, which should distribute the funds as it sees fit. This would allow the secretariat of the Liberal Party to control the disbursement of all the public funding due to the Liberal Party. That might be a good thing but I do not think it really comes into this debate.

Much has been said about a whole range of extraneous matter, which I will comment
on because this is the central part of the debate. The interesting question is: where is the public policy that is embodied within this bill? I do not think there is any and I have not heard Senator Brandis, Senator Johnston or Senator Mason talk about what the public policy initiative is within this bill. They have talked about branch stacking and a range of other matters but not about the public policy implications of this bill: whether there is any public policy merit or whether we should have this amendment to the Electoral Act.

I did take the opportunity to read Senator Brandis’s contribution and I could not decide whether he was in support of the bill or whether he was speaking against the bill. I know that Senator Brandis has now contributed to the debate, so I will not ask him to clarify that. I will assume he spoke for the matter. Perhaps I have to take a longer bow to come to that conclusion. Some time ago, on 21 August 2001, this matter did arise in the press. The article is headed ‘Rebels stirring in Liberal ranks over funding’. It says:

Liberal Party backbenchers are rebelling over control of party funding, as legislation passed the House yesterday that directs funds to the party’s central office instead of the states.

The article is by Kirsten Lawson. I can report only what is written here, so I am not sure of the veracity of the report, but it does say:

One Liberal backbencher described the funding chance as a “power grab by the Federal body” and said there was wide concern among Government MPs, who hoped the Democrats would join with Labor to defeat it in the Senate.

The article goes on to name three politicians. It says:

Three MPs—

I will fill in the blanks: Senator John Herron, Senator George Brandis and Senator Brett Mason; the article leaves out their title of ‘Senator’ but otherwise that is a correct reading of it—

... spoke out in the Coalition party room and Hume Liberal Alby Schultz said later the party could have given more thought to how it dealt with the matter.

I assume they spoke out against it but I am happy to be corrected. I presume that they have now had a change of heart in the sense that they now support the bill.

**Senator Abetz**—A lot of assumptions.

**Senator LUDWIG**—Unfortunately, you are right. That is the difficulty I have and that is why I went to Senator Brandis’s contribution to clarify that, to resolve the inconsistencies so that I would not have to presume. I know he has spoken once in the debate and he cannot speak again. There will be an opportunity, perhaps, in the committee stage that he may wish to take up and I certainly hope he does enter the debate in the committee stage. I was left with the difficulty that I have to assume that they are speaking for it and we are against it, although by that article one might be mistaken as to whom the Liberal Party backbenchers were and whether those members of the Senate were rebelling or what they were doing. Certainly, it will be of great interest to find out.

The difficulty I have is this: so much for the cooperative federalism that the Liberal Party has spoken about for so many years and so much for state rights. This bill takes away that; this bill denies cooperative federalism. It does not provide any policy prescription or reason why, which is a little bit disappointing. Many have called it a ‘dash for cash’; I am not going to call it a ‘dash for cash’. Scott Emerson, perhaps, said it a little better in an article in the *Australian* on 23 August 2002. He wrote:

Lynton Crosby is the Jerry Maguire of Australian politics. You could almost hear his plea of “Show me the money” as the Senate this week debated a bill that would result in the Liberal Party’s federal director taking control of millions of dollars of public election funding, rather than allow it be paid directly to the party’s state divisions.

Perhaps we could now call it the ‘show me the money’ bill, because that is what it seems to be.

The Commonwealth Electoral Amendment Bill (No. 1) 2002 is ostensibly a bill designed to amend aspects of the Commonwealth Electoral Act 1918. These amendments will enable an agent of the Liberal Party’s national secretariat to determine the distribution of public funding from their national secretariat to their state and territory branches. It is surprising that the state branches have agreed to this—or perhaps they have not and that is the reason for this
bill. Perhaps they have not at all and they are constrained in being able to present themselves here to talk about it. Nevertheless, I find the Liberal Party's need to come before the federal parliament seeking to have it pass legislation intended to assist it in managing the Liberal Party's internal financial affairs an amazing display of arrogance and contempt of the parliamentary process. However, as we know, the situation is in fact far worse.

The real purpose of this bill is to use the legislative power of the federal parliament to put an end to the internal power struggles and factional warfare within the Liberal Party itself. It has become clear to all that the Prime Minister and Mr Lynton Crosby, the supreme power brokers of the Liberal Party, have lost faith in their state and territory colleagues. In particular, Mr Howard and Mr Crosby have completely lost faith in their Queensland division—at least what is left of it. You have to admit that at least in this case the Prime Minister and Mr Crosby are probably correct in their assessment of their state colleagues. How anyone could have faith in such a faction ridden bunch of infighters is totally beyond me. However, this is a subject I will return to shortly.

Let us be totally clear about this: all this bill is intended to do is give the federal Liberal Party in the form of their national secretariat the power to pull their infighting and their faction riddled branches into line by gaining control of public electoral funding. The use of legislation like this to help the Liberal Party manage their internal financial affairs, let alone resolve factional disputes within the Liberal Party, is totally wrong. No other Australian federal government has attempted this unprecedented misuse but we have it here. It says volumes about the state of play of the Queensland Liberal Party. I heard Senator Mackay refer to the state of play of the Tasmanian Liberal Party and they appear to be in a similar state of disarray and faction ridden trouble. The action of the Liberal Party in this matter, from the Prime Minister down, has shown that they are still locked in their mentality of, 'I’ve got control and I’m not letting it go.' The Liberals are having internal squabbles—if you do not want to call them factions, but it seems to me that they are internal factional fights.

In response to the crisis, rather than working it through, rather than talking these things through, we have a bill. Parliament is going to resolve your problems. The parliament of Australia is there to help you. This is why I do not think it should be used in this manner. Talk your way out of it. As I think I heard Senator Ray suggested, grab a stamp and work out how you are going to split these matters up. It has been available for some time; you do not need this bill at all.

In the first half of this year, from 1 January through to 30 June, the Senate sat a mere 21 days, or 197 hours and 40 minutes. This is in comparison with the same period last year when the Senate sat for a total of 32 days, or 260 hours and 30 minutes. If it were about policy we might be having a reasonable debate, but this is not about a policy debate at all. The Senate’s time, as I just highlighted to you, was underemphasised in the last half of the year and there are good debates to be had on important policy issues for the next half, and yet we still have the political infighting of the Liberal Party before us. What we should be doing is going on to legislation that does have policy implications that we can have reasonable debates about.

But me talk about some of the issues that were raised by Senator Mason during his speech. Perhaps he did go on to talk about what was, in essence, the problems confronting both Senator Brandis and Senator Mason in the debate. Senator Mason said on 22 August during this debate, 'This is the ultimate insiders’ debate.' He did not go on to explain other than to say that the Liberals are actually interested in trade globalisation and industrial relations reform. But I think he let it slip by saying it is the ultimate insiders’ debate. It is your insiders’ debate; it is not ours. This is a debate about the internal affairs of the Liberal Party, not about public policy issues—it is not about issues such as trade globalisation, industrial relations reform, mutual obligation and welfare reform, as Senator Mason comments, which is a pity.

Curiously, he then went on in the same speech—and I think we really get to the nub
of what he was referring to and what I have been arguing today—to say:

Someone like Senator Ray or Senator Faulkner... will never come in here and debate policy, because when they do they lose.

In a policy-free debate this is raised by Senator Mason. It is quite extraordinary. He is talking about a policy-free zone in relation to a bill that does not have any policy. I think Senator Mason should wake up. Then he goes on to say:

It has become increasingly apparent, so they come in here and talk about the internal structures of the Liberal Party.

That is what the bill is about. If Senator Mason would just slow down and perhaps read his own speech, he might work out that what he is talking about, in fact, is that. But it did not talk about what the bill was about at all.

It did not have any public policy implications and it did not go on—

Senator Brandis—What it did was expose the hypocrisy in the Labor Party.

Senator LUDWIG—to talk about the hypocrisy in the Liberal Party at all, especially the Queensland branch of the Liberal Party. In fact in my own state of Queensland we have seen the Liberal Party take massive losses in the Brisbane City Council elections: no policy—and in the state elections: no policy. Following these losses, we in Queensland have seen the remaining survivors of the Liberal Party turn on each other, just like you are doing now, like a pack of jackals fighting over a carcass. Indeed, this battle is for the carcasses of the Queensland Liberal Party. We have see Mr Caltabiano and Mr Quinn—both factions as I can understand them—engage in some of the most spectacular branch stacking, it seems, ever seen in the state of Queensland.

If the Australian report about a fortnight ago is to be believed, then the Queensland Liberal Party executive considered some 800 new applications for membership, 500 from the Caltabiano faction—from what I understand the Australian to say—and 300 from the faction of the poor embattled leader of the state Liberal Party, Mr Quinn, who is, as I understand it, trying to reform the party in Queensland to ensure that there are no branch stackers and they have reasonable rules. I watch with interest as to who wins that battle. Perhaps Senator Mason or Senator Brandis can tell us who eventually wins and what the cost was in terms of power within the Queensland Liberal Party.

Perhaps it is endemic to the Liberal Party. Their born to rule mentality has got them in a bit of the bind in Queensland. But indeed it also appears to be the attitude of their federal director, Mr Crosby, who said recently:

One man’s branch stack is another man’s membership drive.

Perhaps not surprisingly, this sad view of branch stacking was supported by the good Senator Brandis, as I understand it—but I am happy to be corrected. In his contribution to this debate last week when he concurred with the federal boss, he went on to state:

In the Liberal Party our doors are open to all, and that is why we have become a great mass based political party of Australian politics—

Yes, Senator Brandis, your doors are open to anybody even if they are not on the Australian electoral roll. Indeed, the Australian Liberal Party is so inclusive you do not even need to live in Australia. Apparently they will ship them from anywhere.

Yes, Mr Howard and Mr Crosby are quite correct in their assessment that the Queensland Liberals are not to be trusted, as I understood what they were saying, as an operational branch. That can be the only import of the bill. It can only mean that they do not want you to have independent financial control of your branch. They do not want you to be able to determine your electoral successes or your electoral non-successes, as the case may be. The federal body of the Liberal Party want you to be subservient to their wishes. They do not want to negotiate with you as to how equitably the funds should be distributed. They simply want to control the manner in which the funds are distributed. They want to use the Commonwealth Electoral Act for that purpose, which is indeed disappointing.

Another article in the Brisbane Courier Mail on 17 July this year likened the web of conspiracy, threats and melodrama that currently exists within the Queensland Liberal
 Party to an episode of the X Files. This article went on to state:
Most of the Liberal Party senior members have adopted that show's celebrity credo 'Trust no-one'.

This is the environment the Queensland Liberal Party members exist in. I think the Queensland State Liberal Party is a shell of its former self slowly being destroyed by faction leaders interested in their own self-aggrandisement rather than their party's electoral credibility, an electoral credibility that has reached all but rock bottom with Queensland voters. The ultimate test is to ask: has the electorate endorsed the approach the Queensland Liberal Party has taken over the last three to six years? The answer is no; it clearly has not done so.

Senator Brandis—How did you go at the federal elections?

Senator LUDWIG—It has not done so because the Liberal Party's national secretariat—at the behest of Mr Howard and Mr Crosby—wished to take control of the distribution of public electoral funding. You will have to interject better than that to jag my attention! Why is it that they wish to settle their internal power struggles and factional warfare within the Liberal Party itself? This is the reason we are here debating this issue. (Time expired)

Senator BUCKLAND (South Australia) (1.16 p.m.)—The purpose of the Commonwealth Electoral Amendment Bill (No. 1) 2002 is to amend the Commonwealth Electoral Act 1918. The primary purpose is to allow the Liberal Party federal secretariat to determine the distribution of election funding between the federal secretariat and the state and territory divisions of the Liberal Party. There is a very simple answer to what this bill is all about and that appears to be, in brief, the answer.

Currently, a decision is being made by the Australian Electoral Commission based on the agreement between the state branches and the federal secretariat. If an agreement is absent, election funding would go to the state branches. It is essential to note that most of the funding would go to those state branches whose candidates achieved the best polling during the election. The Labor Party feel that the bill is unnecessary. The problems that the Liberal Party are having with their distribution of funds should have been, and could have been, resolved within the party if they had sat down together and worked out exactly how this should work. They could even call upon the ALP national secretariat for advice in relation to this, because we have no difficulty with the arrangements as they are. The government are really hiding behind their own mismanagement. And in hiding behind that mismanagement, they have introduced a bill into this chamber that should not have been introduced. It is apparent the government do not trust their state parties, and when there is no trust between the federal and state parties then you are doomed to failure.

Another rationale could be that the amendments serve to relieve the Liberal Party of an unnecessary administrative burden associated with the goods and services tax. There has been speculation about the Liberal Party and the Queensland branch in relation to that. The federal secretariat, for the purposes of managing a federal election campaign, is a taxable supply under the new tax system—that is, the goods and services tax system. While the arrangement is financially neutral from the perspective of the state division and the federal secretariat—because the state division is entitled to reclaim the GST payment in the form of imputed tax credits—it does impose a modest compliance burden on both parties. It is true that they have become unmanageable, uncontrollable and are causing difficulties within their own party. Due to the Prime Minister’s lack of leadership, we are now witnessing this bill in order to avoid nasty confrontation with some of their state and divisional directors by simply getting parliament to legislate to solve the problem. That is simply what they are doing: asking this place to fix their internal squabbles. That shows that, whilst they may be in government, the reality is they cannot govern themselves.

Some might recall the contribution of Senator Mason last week. Quite frankly, I thought that the evangelicals had descended
upon the parliament and Jimmy Swaggart was reincarnated within the chamber! He played well to the crowd but he forgot to mention the bill, and he forgot to mention the real issue of why we are here debating this bill—the internal problems of his own party. It was a grand display that said nothing. He was holding up his parliamentary handbook as if it were the Holy Bible. He was going to tell us all about senators on this side, but he did not quite get to that part. But it looked good for the gallery. He was going to tell us what union backgrounds we all had. The fact is that we are all quite proud of our union backgrounds and we have no difficulty coming to this place—

Senator Abetz—We are all thankful for it, too.

Senator BUCKLAND—It has not done you very much good at all, has it? You are hiding behind legislation—

The ACTING DEPUTY PRESIDENT (Senator Ferguson)—Order! Senator Buckland, you should address your remarks through the chair.

Senator BUCKLAND—Thank you, Mr Acting Deputy President Ferguson, I will do that. I was just saying to Senator Abetz that, if they were a good government, they would be sorting out their internal problems themselves instead of asking this chamber and this parliament to resolve their internal problems.

The bill specifically addresses the Liberal Party’s internal problems. That is what it is really all about; you cannot get away from that singular fact. It is about the problems and what is required by the Liberal Party to resolve the bickering over the disbursement of public funding within the party. That is what it is all about: who is going to get the most out of the public funding during election campaigns? With the party in government, one has to laugh and think, ‘If this is the best they can do, how are they governing this country properly?’

The bill really has nothing at all to do with anyone else. It is an absolute disgrace that we are being asked to resolve the Liberal Party’s problems and it is an absolute disgrace that the Liberal Party was so barefaced in coming to the parliament to resolve them. I suppose we can understand that the government’s desperation is such that it is now trying to force through and pass this bill. It is a futile exercise because the people can see through it. The Liberal Party is no longer in government in any of the states or territories because it cannot run its own party machine in such a way that it can translate into governments elsewhere. Being the party in federal government is always a wonderful stepping stone if one is looking to state governments, but of course it did not work on any occasion for this Liberal Party government. All the states are in the competent and good hands of the Labor Party.

In South Australia alone, the federal government would have great concerns about the frittering away of money on internal fights and internal preselections among its state branch. It is probably somewhat concerned about the money being frittered away on current court actions over the South Australian Speaker. It is a futile exercise.

Senator Abetz—It was a grubby deal.

Senator BUCKLAND—It was a good deal—

Senator Abetz—No, ‘grubby deal’ was what I said.

Senator BUCKLAND—There is no grubby deal with the Labor Party associated with that, but there seem to have been some grubby deals, or so much effort and so much money would not have been spent on that exercise. It is an indication that the state and federal parties just cannot agree about what is going on. I would be highly surprised if the Prime Minister or indeed the national secretariat were supportive of such actions. In fact, my understanding is that they are not. I am happy to be corrected on that.

In 1993, the Liberal Party had one of the biggest election victories, winning 37 seats in South Australia. In 1997, the Liberal Party won 23 seats. In 2002, when they lost government, they held only 20 seats. No wonder the federal Liberal Party does not trust the state branches when, over a span of nine years, the Liberal Party lost 17 seats in South Australia alone. It is understandable. Some
of us have been through similar internal fights in organisations—

Senator Abetz interjecting—

Senator BUCKLAND—Senator Abetz, don’t suggest that I have not, when I can assure you that I have.

Senator Abetz—You shocked me, that is all. I did not think that you had done that.

Senator BUCKLAND—Thank you very much for bestowing charm on me.

The ACTING DEPUTY PRESIDENT—Order! I think we should return to the bill.

Senator BUCKLAND—However, that does happen. It is a shame when one thinks that by taking your tie off and waving your handkerchief at people you can win an election when hard policy comes down. For a party that used to do as much as possible to protect the states from the big, bad feds, it is certainly an about-face for the Liberal Party. They always said that they looked after the states. Now they are saying, ‘We don’t trust the states. We don’t trust our own organisational structure within the states and we don’t trust the states.’ The Labor Party will not support this bill. It is an absolute waste of the parliament’s time and it is a waste of resources being here to debate the bill.

What the Prime Minister and Lynton Crosby want to achieve can be done by simple agreement. As I said earlier, it might pay for you to call upon the Labor Party National Secretariat to come and give you some advice as to how to run and organise your state and federal branches. I am sure that we would be happy to do that. The offer is made quite openly and I am sure it will stand. I notice that the Commonwealth Electoral Amendment Bill (No. 1) 2002 makes no reference whatsoever to the Labor Party. I guess that is really why we are saying that the bill has no merit. It is one-sided and has no reflection upon the total. It has reflection on a part of the parliament—a reflection on the Liberal Party only. Whilst it is fine that you have not mentioned us—you realise that we do not have internal problems—it is also a reflection on the Liberal Party that it is prepared to have itself exposed through the parliamentary process for its inability to manage its own affairs.

The Parliamentary Library has produced a wonderful Bills Digest on this particular bill. It really goes to the very heart of what the bill is all about. We have an internal fight of massive proportions going on within the Liberal Party between its states and its national body and, simply, they cannot determine who should get the biggest bite of the pie. In fact if the national secretariat had its way, the states would not get to see the pie or taste the pie and they would certainly get no benefit from it. It is a traditional Liberal Party states versus federal argument.

Madam Acting Deputy President, this is the first time I have been under your good grace since your elevation to that position. In concluding, let me say that, if the Liberal Party were fair dinkum, they would avoid bringing legislation of this nature to the chamber. It has wasted our time—this is the second day it has been debated. It is a clear indication that they have no ability to control their own destiny and certainly it is a matter that has wasted public money and is—

Senator Carr—They will waste a lot more.

Senator BUCKLAND—Thank you for that, Senator Carr. It is a waste of a lot more than that as well, but it also shows the lack of depth within the Liberal Party to resolve internal disputes. We will not support this bill and, as I said before, it is a waste of time and a waste of resources.

Senator MARK BISHOP (Western Australia) (1.34 p.m.)—I rise to make a contribution to the second reading debate on the Commonwealth Electoral Amendment Bill (No. 1) 2002. This bill provides that the Liberal Party’s national office, the Federal Secretariat, may write to the Australian Electoral Commission before polling day specifying the federal percentage of public funding—that is, the amount that will go to the Liberal Party’s Federal Secretariat—and the state percentage—that is, the amount that will be paid to the state or territory division of the
party. If there is no such written notice, the Federal Secretariat will receive all of the public funding. The Commonwealth Electoral Act 1918 declares that its purpose is to, as stated:

Consolidate and Amend the Law relating to Parliamentary Elections and for other purposes.

This bill of course takes a most broad and liberal construction of the two words ‘other purposes’. It is an amendment to the act that is an attempt to use the parliamentary processes to settle internal factional disagreements in the Liberal Party.

We all know that in every political party there are differing groups, people with different philosophical outlooks and different ideological perspectives. We saw that manifest in a debate in this chamber last Wednesday or Thursday, when Senator Stott Despoja made the point that she had been receiving an inadequate amount of support from her own colleagues within her parliamentary party and through the party room. As a consequence of that, she was forced to make certain decisions affecting her own future and the future of her party. Similarly, within the Australian Labor Party it is no secret that there are people with wide-ranging perspectives on a range of issues that face us on a day-to-day basis. And, similarly, it would be unrealistic to suggest that the same does not apply in the two parties that comprise government—the Liberal Party and the National Party.

But I suppose the matter that distinguishes the opposition and the minor parties in this place from the government parties is that the opposition in particular—I am more familiar with its rules—has rules that determine how state branches are established, how they are set up and run, what the financing is, how funds are to be received and how funds are to be distributed. That is essentially resolved at a national level by a national executive that is elected by and from delegates in all of the states.

It has long been the practice that funding received by our party at a national level goes to the national organisation and is distributed to the various branches consistent with the national purpose. That is why you have national structures, national organisations, receiving funding via the national parliament for national purposes. The Liberal Party in opposition could have gone down that path many years ago when the issue of public funding of political parties was squarely put on the agenda and the various parties consulted amongst themselves and with each other as to the appropriate way that political parties across Australia were going to receive public funding from the Commonwealth. The Australian Labor Party, in its wisdom, made a particular decision at the time. It has never sought to revoke or revise it and, as I understand it, is quite happy for the decision made some years ago to be applied now and into the future.

The Liberal Party made a similar decision. We are advised that they consulted with their state branches, their state divisions, and made a particular decision that the funding was to go to the organisation at a state level and that the state organisations or state divisions would expend those funds, presumably consistent with their rules, on purposes decided at a state level. Presumably, there was also acknowledgment that there would be the appropriate degree of contact between the state divisions. Now, as we look around Australia at each of the state divisions of the Liberal Party—each in opposition, each the subject of major losses in the last two or three years, each the subject of change, each the subject of leadership challenge and each trying to decide where they fit into the political cycle—we observe that the agreement freely entered into within that party, for reasons that have not been made clear and are not fully detailed in the explanatory memorandum, is no longer adequate, and this bill is before us because there is a view that the funding direction should be altered.

As I outlined in my opening remarks, the change that is sought is for the Liberal Party’s national office or federal secretariat to write to the Australian Electoral Commission prior to a scheduled federal election and advise where the funding is to be directed, what percentage—somewhere between zero and 100 per cent—is to be directed to the federal party and what outstanding amount is to be directed to the various state or territory divisions of the party. Where there is no such
written notice, the federal secretariat will receive all of the public funding. So the central purpose and clear direction of the bill is that all Commonwealth funding that is going to be directed to the Liberal Party is to be directed to the national office of that organisation, subject to that organisation advising the Australian Electoral Commission in writing what percentages might be directed elsewhere to the various state divisions. That means that the bill addresses the issue of ‘other purposes’ in the 1918 act, and this amendment to the act is a clear attempt to use parliamentary processes to settle internal differences within the Liberal Party. The national office of the party wants control of the money that the state branches need because that gives it power over the branches; that is, he who pays the piper calls the tune. In this case the clear intention is for the national office of the Liberal Party to intervene, set up directions, set up staffing and set controls so that the various state divisions or state branches act consistently with the directions of the national office. That purpose is to be achieved via the mechanism that if they do not comply they do not receive funding, and that is what this bill is about.

For obvious reasons the various state divisions of the Liberal Party do not want this change to occur. If they did want it to occur, it would presumably be a relatively simple process to organise a properly convened meeting for the state divisions to come together to consider a resolution, and the resolution would in outcome be similar to or identical to the outcome that will be contained in this bill if it is passed by a majority in this place. But it is clear that that normal process of negotiation has been entered into and, as is sometimes the case in negotiations, the result has been unsatisfactory as far as the proponents of change are concerned: they have been unable to persuade a majority of their colleagues on their own national governing body or all or some of the various divisions to agree to change.

Yet eight years ago when the present system of funding was introduced, the Liberal Party argued for this dual system dividing funding between state and federal branches of the party. At that time they argued that it was inconsistent with their ideological belief in state rights, so the Labor Party agreed to amendments to the bill—the government of the day agreed to accept the amendments sought by the then opposition, the Liberal Party—and the bill was amended to let the then opposition party be funded in the way that they thought to be appropriate. So the questions thus arise: what warrants such serious intervention by our federal parliament? Why can’t the Liberal Party sort this out internally? That is what they should do.

We heard last week that the Australian Democrats apparently have differences in philosophy and approaches as to where their party should go. Whilst that debate has been conducted in a relatively public fashion, it is clear that, as is appropriate, they are seeking to resolve their differences internally. They do not resort to ask the parliament, the government or the opposition for advice or seek to have previous acts of parliament amended to suit the desires of a particular group or clique. Similarly, within the Labor Party, my party, it is clear that we are undergoing a serious internal discussion as to what are the appropriate structures that should guide our party into the future. Serious discussion is occurring about the level of union involvement, how delegates should be elected from the various branches, how delegates should be elected from the lay component and a range of subsidiary issues deriving from those key or core principles. But at no time have we ever asserted that it is anything other than a matter of our business that we bring our various state divisions together, put the issues on the table and attempt to resolve them by negotiation or discussion, and in the event of that failing we resolve it by the usual process of a vote.

We do not think it is any business of the government as to how we conduct our affairs. We do not think it is any business of any other party how we conduct our affairs. We do not think it is any business of the government how we allocate funding that is received via the Commonwealth Electoral Act, as long as that funding is spent properly, consistent with the rules of the party and consistent with the law of the land. Having received the funding consistent with an act of
parliament, we expend it, consistent with our own rules, and that is the end of the matter. We do not seek the assistance of any other political party as to how we establish our structures or how we spend our funds, and we do not seek to go back on past understandings, past commitments or, more importantly in the context of this debate, to overturn decisions and agreements reached via various internal processes of our party. Yet, on the other side of this chamber, this issue was squarely faced eight years ago when the government was in opposition. They consulted with their various divisions, their various state branches, and they came to us with a proposition that reflected, at that time, the will of their party. How do we know that? Firstly, they advised it; secondly, it was reported in the press; and, thirdly, they referred us to the various resolutions passed by the state divisions authorising their national officers to conduct themselves in negotiations in a particular way.

Compare that with the current situation where, similarly, internal discussions and internal negotiations have been conducted in the Liberal Party. There has been no agreement to shift, to change, to alter, to move and so the national office simply walks around to the Prime Minister’s office and says, ‘This is unfair. We’ve got six or seven divisions around Australia. They’ve considered a proposition. All of them have rejected the suggestion of change, but we still want to go down this path and we want to have a bill introduced into the parliament which would change the status quo.’ That is what they are doing here now. They are attempting to change the status quo inconsistent with, and contrary to, the express desires and wishes of their party, but, more importantly, inconsistent with, and contrary to, the express policy decisions of their own divisions and express resolutions passed by their own party.

When you engage in that sort of activity—where you simply come in the back door, take the $25 million or $35 million a year that is available via public funding, allocate it to national office and allow only national office to choose how to spend it, and for national office to privately and secretly decide what conditions or what amendments will be attached to the distribution of those funds—you get to the stage where you have a total perversion of the ideas of accountability, responsibility and transparency. Repeatedly over the last five years, the opposition have been told in discussions over various pieces of legislation that one of the core attributes of the Howard government is responsibility in the raising and disbursement of public funds, accountability to the various agencies of the Commonwealth for the distribution of those funds, and, more importantly, accountability and responsibility to taxpayers—either personal or corporate entities—who provide those funds to the Commonwealth.

Yet, in this debate—when it is a matter that affects their own party, and future funding and how those funds will be allocated—they go back on all those core principles. They reject every proposition they have put in financial bills and budget bills over the last five or six years and they say, ‘The national office, in its wisdom, on its own, makes a decision that that body will receive the $25 million or $35 million.’

What is the alternative? The alternative, of course, is to sit down and engage in negotiations with the various state divisions and identify the various problems that might exist in the various parties around Australia—whether they are policy problems, whether they are branch-stacking problems, whether there is a lack of leadership at the various levels, whether there is too much alternate leadership at the various levels in the various states, whether it is about the drifting or whether it is about the break-up of their vote to a range of other political parties on both the left and the right. You could go through a serious sit-down in each state and do a serious analysis of what the problems are in a particular division of the Liberal Party, do a serious needs analysis as to what funding is required, and come up with a set of solutions that could be worked through that party and which might receive membership support and membership endorsement, and which might result in significant structural and procedural change being implemented in the various state divisions of the Liberal Party.

The effect, of course, of going through that policy and organisational review proc-
ess, is that you modernise your party—you bring it up to date; you get rid of the old, you get rid of the stuff that has been rejected, you get rid of the stuff that is no longer acceptable, you get rid of the people who are no longer performing and you get your finances in order. What happens when you do that? At the next election in the various states, two, three or four years hence, candidates in the various divisions of the Liberal Party will most likely be serious candidates for election in the various states and territories. At the moment, they are not. They simply say, ‘We don’t really have any problems, although we’ve lost eight of the last nine elections. We don’t have problems in Western Australia or in South Australia’—where they really did give away the election in both cases. Those elections were there to be won and should not have been given away. They were given away simply because the proper processes of organisational review, preselection, financing and fundraising had not been gone through in a consistent, logical and principled fashion.

That is one way you could identify the problems in your own party in the various states: you could go through that open, accountable, transparent policy review. Put your ideology and your philosophies on the table, engage in the discussion and the argy-bargy around what are promises, what are commitments and where the electorate wants its government to lead it. Then, having established the rules, there is no doubt that the funding from the private sector, from the business community and, indeed, from the Commonwealth would flow, because you would have a viable organisation, a viable opposition, that is presenting sound alternative paths upon which the community might, in those circumstances, be ready to adopt, adapt to and follow.

But, no, in this situation the Liberal Party do not do that. They say, ‘All those things are fine. We do not have any serious need of review. The map has changed from blue to red in every state and territory over the last four or five years, but we are going to continue with the old way. We are going to continue with the structures that were established many years ago. We are going to allow the branch stacking to occur. We are going to allow—and, indeed, encourage—the branch stacking in particular states to go out of all proportion. We are going to allow membership numbers in various divisions to increase from a normal, run-of-the-mill 25 or 35 persons who attend, participate and are elected to office.’ All of a sudden, overnight, those numbers increased to 300 or 450.

We only have to look at the various press reports of what has occurred in Queensland in recent times where, when you have a small rump of people controlling the party, federal preselections are on order, state preselections are coming on stream, and the membership numbers are so minor that you can do an afternoon doorknock in a few of the better-off suburbs in Brisbane and increase your membership numbers from 25 in particular division to 100. Of course, they do not have to live in the division; they do not even have to live in the state—or in the country, as was witnessed in South Australia. All those new members get to vote in preselection procedures, and you can change a particular candidate simply because you go through that rorter process. The net result of that—not to take Brisbane or Queensland in isolation—is that, after many years, you do not become an opposition and you do not become a party; you are not registered as such. (Time expired)

Senator LUNDY (Australian Capital Territory) (1.54 p.m.)—I rise to add my comments on the Commonwealth Electoral Amendment Bill (No. 1) 2002. In doing so, I say that we should get from this government a charter of bill honesty, because I think our Senate leader had it right when he said this bill should be renamed the ‘Liberal Party central office dash for cash bill’—because that, of course, is what it is. What a contrast there is before the people of Australia at the moment as both parties attempt to look at their internal structures and to modernise. What a contrast it is to see Labor engaging with its rank and file, very soon to discuss at a national conference very important rule changes designed to make us a party of the future. What a contrast it is to see that the Liberal Party approach to obviously much needed reform is to try to move this bill through this parliament—this dash for cash...
bill which looks at filling up the coffers of their federal office: ‘Don’t bother talking to the state branches; don’t bother talking to the rank and file. Let’s just try to use our parliamentary mechanisms and our clout as government to push a piece of legislation through to get the type of reform the Liberal Party want.’

I say that is unacceptable. It is unacceptable on two counts. It is a complete flouting of our democratic institutions, particularly this parliament, and I think that the Liberal abuse of institutions of this country through their period of government has been well documented. The way this government has gone about its affairs in office has been to much embarrassment of many Australians who take such pride in our democratic institutions. I think the second important point is how political parties conduct themselves. We are in an era when issues of corporate governance and morality in management are at the forefront of everybody’s minds. How ironic is it that we find ourselves arguing about such issues before the parliament today as the Liberal Party sound off about the need for higher quality corporate governance in the private sector when they are using the parliamentary processes and this particular bill to sort out their own little issues of corporate governance.

I would like to take this opportunity to inform the chamber of the next chapter in what can only be described as a soap opera, although I hesitate to do that because it is about the integrity of our democracy. On the AAP wire today, at 12.22 p.m., was an article headed ‘Qld: Liberal leader makes second bid to win reform war’. The article states:

BRISBANE, August 26, AAP: Queensland Liberal leader Bob Quinn is stepping up his campaign to clean up branch-stacking with a second mailout to party members.

The move was met with concern today by state Liberals president Michael Caltabiano.

Mr Quinn has already produced a glossy, full-colour leaflet targeted at getting his reforms—which were rejected by party officials—approved at the party’s state convention next month.

But a second mailout will further push his case for reforms on which he has staked his leadership.

Mr Quinn believes that for a party member to vote in a preselection they should be on the electoral roll for that electorate, be a member for at least 12 months and be a member of the local branch for at least six months.

The state executive’s power at preselections should also be reduced and senators should be chosen by a wider number of members from throughout the state, he said.

Cr Caltabiano—a factional opponent to Mr Quinn—told AAP today he was unaware of Mr Quinn’s plans for a second mailout.

“The role of the parliamentary leader is to lead the division and take the fight up to Labor,” Cr Caltabiano said.

“There seems to be an extraordinary amount of effort that is not going into taking the fight up to Labor.” You could not put it to your colleagues any more bluntly than that, could you? The article continues:

The party’s state executive has received almost 1,000 membership applications ahead of its annual convention in Brisbane next month, with officials and MPs being accused of endorsing rampant branch stacking.

A raft of constitutional reforms, which Mr Quinn says do not go far enough, will be debated at the Liberals convention to be held in Brisbane from September 6 to 8.

It goes on:

The convention will also consider a new platform for the Queensland division and the re-introduction of an Upper House which was abolished in 1922.

Cr Caltabiano said the platform would set out a “fundamental system of beliefs” for the party.

They certainly need it! Once again, we see this drama continuing. We see the Liberal Party using this chamber inappropriately to resolve their own internal affairs, their own internal rorting, branch stacking, and who gets their hands on the money. It should be called the ‘Dash for cash bill’. What about a charter of bill honesty; what about calling this piece of legislation what it is? I seek leave to continue my remarks later.

Leave granted; debate adjourned.
QUESTIONS WITHOUT NOTICE
Industry: JDS Uniphase

Senator LUNDY (2.00 p.m.)—My question is to the Minister representing the Minister for Industry, Tourism and Resources. Is the minister aware that the management of the JDS Uniphase photonics manufacturing plant in the Prime Minister’s electorate of Bennelong is attempting a buy-out of the Australian operation to build on their export successes and prevent the parent company removing it to China by the end of the year, along with hundreds of highly skilled jobs and valuable intellectual property? Can the minister confirm that the Prime Minister, the Minister for Communications, Information Technology and the Arts and you, as the former minister for industry, have previously expressed support for either this facility specifically or Australia’s photonics industry in general? What is the minister doing to support the management buy-out and, in effect, build on the public and private investment over many years in photonics, as well as to preserve Australia’s standing as an emerging player in this strategic global industry?

Senator MINCHIN—I have been, and continue to be, a great supporter of Australia’s photonics industry, and this government is proud of its record of support for this great industry. I am sure we all share in the joy of this industry’s success. It has been a great contributor to Australia’s high-tech scientific base. In relation to your specific question about this JDS Uniphase operation, the government is aware that there is a possibility that the Australian operations of JDS Uniphase may close down. Options for a local management buy-out are currently being considered by the company. The threat to the Australian operation is part of a global review by this US based company, following the recent downturn in the photonics industry and the high technology sector more generally. The government recognises the importance of a vibrant photonics industry in Australia and so is closely monitoring developments. We appreciate the opposition’s keen interest in the matter. The government is also aware that the local operations of ADC Telecommunications are being scaled down. This is a direct result of the parent company’s cost reduction and restructuring efforts, which are directed at lowering the company’s overall cost structure and improving the company’s profitability. ADC has taken a global decision to wind down its optical components business.

Honourable senators interjecting—

Senator Robert Ray—I raise a point of order, Mr President. Have you ordered the clearing of the Senate to my left? Have you ordered them out of the chamber? I am sorry. I did not mean to interrupt the good minister.

The PRESIDENT—There is no point of order.

Honourable senators interjecting—

The PRESIDENT—Order! I think we have had our enjoyment for the day.

Senator MINCHIN—As I understand it, the progressive centre faction and the fundamentalist left faction of the Democrats are very keenly interested in this, so I am surprised that they are absent on this very important question. Now that they are represented, can I say that we have, in the past, exhibited our strong support for the photonics industry. I do not think that the opposition could question that. Indeed, they have welcomed in the past our strong support for it. Much of the support that has come from this industry has originated from the Cooperative Research Centre Program, which I am happy to say was one of the best initiatives of the Hawke government and it is one that we have continued to support. Indeed, we have directed extra funding to it as a result of this government’s very good Backing Australia’s Ability program. We have increased the support for CRCs.

But Australia cannot be immune from the dramatic downturn that has occurred in the world telecommunications and IT industries. It is impossible for us to immunise ourselves entirely from the consequences of the unbelievable downturn in those industries, particularly in the United States. To the extent that there is US and global involvement in operations in this country that have some effect on the operation of this country, it is impossible for us to entirely escape any such consequences. As I have said, on behalf of the minister for industry—and I am sure that
this goes for all the relevant government departments—we are monitoring the situation closely and we will keep the community informed.

Senator LUNDY—Mr President, I ask a supplementary question. I acknowledge your answer, Minister, and welcome the reference to ADC. Can the minister confirm that Minister Macfarlane has received a letter from the Australian JDS Uniphase management team advising him of their situation, to which I understand he has so far failed to respond? Given that time is running out if the management buy-out is to be successful, is the government going to respond or are we forced to assume that the Howard government’s commitment to Australian innovation, in contrast to arguably some other sectors, is all talk and no action?

Senator MINCHIN—I know of no letter, but I am happy to ask the minister for industry if he has received such a letter and when he intends to reply to it. But, really, the last part of the question is so facetious as to be nonsensical. We had more than just a diagram of spaghetti bolognaise. We went to the last election with a concrete program of injecting billions upon billions of dollars into innovation in this country. We have a very proud record of supporting innovation in this country, and we are seeing the results of that program.

Customs: Border Protection

Senator BRANDIS (2.06 p.m.)—My question without notice is directed to the Minister for Justice and Customs, Senator Ellison. Will the minister advise the Senate of the success of the Howard government to date in protecting Australia’s borders and of any new measures it has to combat people-smuggling?

Senator Conroy interjecting—

Senator ELLISON—It is a very important question from Senator Brandis, a Queenslander senator who has a vital interest in this subject, which is of concern to all Australians. Between 1998 and 2000, we saw a 400 per cent increase in unauthorised boat arrivals. This is a matter of great concern to Australia and also to the international community.

Opposition senators interjecting—

The PRESIDENT—Order! The senators on my left, and Senator Conroy in particular, have been continually interjecting since two o’clock. I would ask you to desist.

Senator ELLISON—In 1999-2000, we experienced some 4,000 unauthorised entries into Australia. This government set about putting in place border protection measures to stop that. Since August last year, a month which saw over 1,200 unauthorised arrivals alone, an unauthorised boat has not landed on the Australian mainland. That speaks volumes for the policy that the Howard government has adopted in protecting Australia’s borders. When you look at arrivals on the excised territories, you see that there has indeed been a drop from some 4,000 to 2,400 arrivals for the same period. We are experiencing the result of our policy working, and we are seeing it in the fact that not one unauthorised boat has arrived on the Australian mainland since August last year. There was the people-smuggling conference which Australia co-sponsored with Indonesia, and that was a great success. Out of that, we have seen unprecedented cooperation in the region in relation to people-smuggling. We have been working with our neighbours to make people-smuggling a criminal offence.

I can announce today that the government will be legislating further in relation to people-smuggling offences. Existing offences in the Migration Act criminalise smuggling persons into Australia but do not deal with smuggling persons from Australia or people-smuggling coordinated from Australia or by Australians. It is very important that we lead by example, and by this legislation we are leading by example in the region.

We will introduce new provisions in the Criminal Code which will criminalise the smuggling of a person from a country other than Australia to a third country via Australia. We will criminalise, where an offender is an Australian citizen or resident, the smuggling of a person, even when the smuggled person did not transit through Australia. We will criminalise the smuggling of a person from Australia to another country. We will also outlaw more serious conduct where the offender smuggles groups of people, or ex-
ploits, traffics, cruelly treats or endangers the smuggled person. That is very important because we are dealing with ruthless people smugglers who do not care a jot for their human cargo. Maximum penalties of 10 years imprisonment will apply to offences, or 20 years imprisonment when the more serious behaviour that I have mentioned is involved.

I can report to the Senate today that, as a result of increased cooperation, we saw today in Thailand a court order that Hasan Ayoub, a person who is wanted in Australia for people-smuggling, be extraditable to Australia. Mr Ayoub does have an avenue of appeal available to him but the government of Australia welcomes this development. This is just another indication of how we are working closely with our neighbours in fighting people-smuggling in the region. This is an important development in enforcement in relation to people smugglers and our new laws will go a long way to fighting people-smuggling.

**Superannuation: Commercial Nominees of Australia Ltd**

*Senator SHERRY* (2.10 p.m.)—My question is to the Minister for Revenue and Assistant Treasurer, Senator Coonan. Can the Assistant Treasurer confirm that, some 18 months after its approval as a trustee was revoked, not one person associated with Commercial Nominees has been charged in relation to the disappearance of some $25 million in superannuation savings? Can the Assistant Treasurer explain why no charges have been laid when senior legal counsel advising APRA concluded that these losses were the result of fraudulent conduct and the minister herself was willing to provide some compensation based on this legal advice? Isn’t the lack of action on the Commercial Nominees superannuation fraud another indication that the Liberal government is soft on the big end of town?

*Senator COONAN*—Before Senator Sherry decided to take a point of order, Mr President. The question was about the Commercial Nominees fraud case and the lack of action by the government. She is wandering a mile from that question.

*The PRESIDENT*—I do not believe there is a point of order. I ask Senator Coonan to return to the question.

*Senator COONAN*—Before Senator Sherry decided to take a point of order, I was pointing out that consideration of what to do in respect of those guilty of perpetrating fraud in Commercial Nominees is well and truly under way. As I have earlier said, there are some other funds under consideration. When all of these matters are in a position to proceed, they will.
Senator SHERRY—Mr President, I ask a supplementary question. Back to the issue of Commercial Nominees: the minister said that every effort will be made and that the matter is under investigation; can the Assistant Treasurer confirm that, according to APRA evidence at Senate estimates, there has been no liaison between APRA and the Federal Police on laying criminal charges or on locating a CNAL director who has absconded overseas and is apparently living in exotic locations in Nicaragua, Central America? Why is no-one from Commercial Nominees on the corporate death row that Senator Ian Campbell boasted about to John Laws on 9 August?

Senator COONAN—Thank you for the supplementary question. I can appreciate that for Senator Sherry it must seem like an unbelievable fantasy to be overseas in exotic locations! It has been some considerable time since the estimates, and I will check to see what further steps APRA have taken on this matter.

Telecommunications: Rural and Regional Australia

Senator COLBECK (2.15 p.m.)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Alston. What steps has the Howard government taken since 1996 in ensuring that people in regional, rural and remote Australia have access to high-quality telecommunications services? What consumer protections and other safeguards will continue to be locked in place, irrespective of the future ownership of Telstra?

Senator ALSTON—That was a very important question from Senator Colbeck, because he knows how important regional and rural communications are to people who live outside the capital cities. When we came to government in 1996, there was of course no such thing as a customer service guarantee: Telstra fixed your phone when they were good and ready. Certainly, the people who lived in 80 per cent of the landmass in the outer extended zones had no such thing as untimed local calls; it was always on the agenda at National Party conferences but the Labor Party had not the slightest interest in the subject.

You can go right through the list and you will find that since we came to government, apart from spending over a billion dollars on regional and rural infrastructure, we introduced the customer service guarantee—which is world’s best practice—to ensure that people have a replacement technology for analog. Remember that this lot on the other side just phased it out with no replacement in mind—a horrific technological dilemma that fortunately was able to be solved on our watch. On it goes: mobile phones along, I think, 11 major national highways and about 37 lesser highways provide the sort of coverage that people only dreamed about a few years ago, getting out to almost every rural hamlet these days. And the satellite subsidy of up to $1,100 is hugely important to people who live beyond the reach of normal mobile phone base stations. So there is a great deal that has been done already. There is always more that can be done in the future but there is only one side of the parliament that is really interested in these issues.

We have looked after almost every risk that consumers face but there is one that we cannot guarantee against, and that is the internal sovereign risk: the remote possibility of the Labor Party coming to office. That is a very big problem for people living in regional and rural Australia. They know that Labor have a fragmentation policy on Telstra: they want to break it up into little pieces. I am not sure what happened last Friday, but certainly in the caucus subcommittee meeting Mr Tanner’s paper got an absolute thrashing from not only Telstra but Senator Mackay, who represents the CEPU in this parliament—and of course does so admirably, as so many of her colleagues do in pursuing their specific union interests. We have had no apology from Mr Tanner. It is still business as usual; he is still hell-bent on breaking up the company. You only had to read the article by Richard Gluyas in the Australian a few weeks back about the absolutely poisonous relationship that exists between Telstra and the shadow minister. What on earth would happen if Labor ever came to government? It would be at an absolute standstill: you would have the political party of the day wanting to break up a com-
pany against the wishes not only of the board but of two million shareholders. It would be an absolute nightmare scenario. That is one thing that I think regional and rural Australia has to be terribly concerned about, if you have someone harbouring that sort of evil intent. Labor are not in the business of looking after consumers and they are not interested in debating quality of service issues; they are interested in bagging the group that we set up to look at the adequacy of services.

There is a lot that can be done and there is only one side of the parliament that is interested in debating those issues, and we will continue to do so. We have consumers’ interests at heart, not unions’ interests; we have the wider perspective on these matters. Consumers’ interests do not lie in breaking up Telstra or in protecting the network in such a way that it becomes an absolute dog for any government to run and becomes, hopefully for them, a cash cow with which to subsidise some of their rural marginal seats. We have a comprehensive approach that will ensure that people in regional and rural Australia get the telecommunications services they deserve.

Distinguished Visitors

The President—Order! I would like to draw the attention of honourable senators to the presence in the chamber of a parliamentary delegation from Kenya, led by the honourable Peter Kaindi. On behalf of honourable senators, I have pleasure in welcoming you to the Senate and I trust that your visit will be both informative and enjoyable.

Honourable senators—Hear, hear!

Questions Without Notice

Taxation: Family Payments

Senator Wong (2.20 p.m.)—My question is directed to the Minister for Family and Community Services, Senator Vanstone. Is the minister aware of the following recent comments by Michael Dirkis from the Taxation Institute in relation to family payments:

Twelve months ago there were issues about the failure of the Family Assistance Office to send notices of benefits. Not only did this result in lodgment delays—over 300,000 of the 400,000 FTB claims were wrongly made. This represents a waste of money for the claimants, waste of tax agent time and a waste of Government processing resources.

Can the minister confirm that it is again the case that family payment benefit summaries have not been sent to families this year? Doesn’t that explain why families have been surprised and alarmed to have their tax returns stripped by this government?

Senator Vanstone—I thank the senator for her question. In relation to the first part of her question—whether I am aware of the statements made by a particular person—the answer is no. In relation to the second part of the question—which relates more generally to family tax payments, notices of amounts of payment received and whether the provision or otherwise of those notices is an explanation for people being surprised at any overpayment being taken out of their tax payment—I have this to say: Senator, it should be of no surprise to any family that, if they have had an overpayment of a tax benefit, the overpayment of the tax benefit will be recouped through any tax refund they otherwise would get.

That was a part of the legislation that was passed in this place in 1999. There was an expectation that that is what would happen. Families and individuals understand that if you have paid too much tax you get some back and if you owe tax you get a notice saying that you should pay more. The family tax benefit is a tax payment. It is paid through Centrelink—as are a number of payments that are not, strictly speaking, welfare payments—and families that have got an overpayment do not expect to keep it. They expect to pay it back and they have understood for years and years that tax reconciliations are done at the end of the year.

There was an exception because the government changed the family tax and family assistance arrangements as a consequence of the new tax system. We dramatically simplified them. There were far too many payments. It was just far too complex. Furthermore, we increased them and we gave families the option of taking their family tax payment as an end of year lump sum payment or through the year. The implementation of that system in the first year proved to be a difficulty for some families and in the
first year we provided a number of changes to assist families in adjusting to a new system. Those changes were a one-off $1,000 waiver and agreeing that in that year we would turn off the legislated requirement for family tax benefit overpayments to otherwise come out of the tax refund. That was an exception for the first year, did not continue in the next year and will not continue in subsequent years. In summary, Senator, it should be no surprise to any family that when they have had an overpayment—and families know when they have got money and they know that they should not be claiming it a second time—they should expect to pay it back.

Senator WONG (2.24 p.m.)—Mr President, I have a supplementary question. Is the minister able to inform the Senate why Mr Dirkis would reach this conclusion: This problem should never have arisen. If every employer is required to send payment summaries, why not the government? Why does the Howard government operate on such blatant double standards on this issue, requiring accurate and timely payment summaries from everyone else but failing to comply with this requirement in relation to family benefits?

Senator VANSTONE—Senator, I think I have given you as much information as I can other than to say that I think there could be significant improvement in the area of notification of what payments have been received. I do not say, however, that a family which does not receive such a notice is simply unaware that they have received the money. If that is the proposition that you are putting, it is, with respect, ludicrous. It is ludicrous to suggest that families who have received, for example, $10,000 in family tax benefit, do not know they have received it.

Opposition senators interjecting—

Senator VANSTONE—Senators opposite are complaining about this. The suggestion is that if you are not sent a form by Centrelink telling you that you have got $10,000 you will not know and you might mistakenly claim it again from somewhere else. That does not happen where I come from. But there could be improvements. We are always working on improvements and we will always look at doing that, as Centrelink does. It is a great organisation and does a great job.

Agriculture: Sugar Industry

Senator CHERRY (2.25 p.m.)—My question is to the Minister representing the Minister for Agriculture, Fisheries and Forestry and it relates to the proposed package of assistance to the sugar industry. The Hildebrand report on the sugar industry raises a large number of issues about improving the performance of the sugar industry in relation to the environment, including the need to improve downstream water quality at farm level. Does the minister acknowledge the vital importance of improving the environmental performance of the sugar industry in areas such as nutrient management, chemical management, ground water and water quality, trash management, acid sulfate soil management, riparian zones, land use management, soil loss and waste management? Can the minister assure the Senate that the government will take into account the environmental practices of farms in determining their eligibility for any sugar assistance package and ensure that no government money goes into supporting practices that could harm the environment, particularly the Great Barrier Reef?

Senator IAN MACDONALD—I thank Senator Sherry for that question on an industry that is very important to Queensland and very important to where I come from. Senator Sherry will know from newspaper reports that the government is considering a package of measures to assist the industry in these difficult times, times which are not all of their own making. There have been difficulties with the world market price and climatic conditions. The government is determined to provide some help to the industry but it will be help on conditions. The conditions will be that the industry does make efforts to reform itself so that it can again become a vibrant part of the rural economy of Australia. As Senator Sherry has mentioned—

Senator Sherry—Cherry! As it is, I am getting his abusive mail.
Senator IAN MACDONALD—Senator Cherry, the industry does understand that improvements are required and that the help that will come from government will be predicated upon a number of things—principally, it will help with the reform of the industry. We are very conscious of the environmental impacts that cane farming can sometimes have on the environment generally and on the Great Barrier Reef. Senator Sherry, you will be aware that the Prime Minister has just signed a memorandum of understanding with the Queensland Premier on the Barrier Reef lagoon and the run-off that the sugar industry is alleged to have allowed to cause environmental damage there. Having said that, Senator Sherry—

Senator Cherry—Cherry!

Senator IAN MACDONALD—I say to you that there are many in the cane farming industry who are very interested in and aware of the importance of proper environmental management of their cane farms. Senator Cherry, you will understand that particularly at a leadership level the industry is aware of this and has taken a number of steps. The cane industry is one industry that has been very proactive in pursuing environmental outcomes. So, Senator Cherry, yes, the government will be watching a lot of issues in any package it does forward. Again, I indicate that the industry itself is very well aware of that. The industry is a very responsible one; it has taken steps in the environmental area and it understands the need for reform. There have been circumstances, perhaps beyond its control, as to why the previous package was not as successful in the reform areas as perhaps it could have been. The industry, as I say, is conscious of that and will be making better efforts in the future.

Taxation: Mass Marketed Schemes

Senator CONROY (2.32 p.m.)—My question is to Senator Coonan, the Minister for Revenue and Assistant Treasurer. Can the minister confirm that investors in mass marketed tax schemes are entitled to a two-year interest-free period to repay the tax and a full remission of penalties and interest on tax scheme debt? How can the minister justify the two-year interest-free period given to tax minimisers to repay their debts? Wasn’t this the deal arrived at after the minister’s infamous Perth Yacht Club meeting with the tax minimisers?

Senator COONAN—It is interesting that I do not remember the Labor Party calling people caught up in mass marketed schemes tax minimisers before the election. In any event, Senator Conroy, the answer to your question is that setting off a Commonwealth debt against a tax refund entitlement is, of
course, nothing new. I recall the previous government used to do it. It is a longstanding practice. The commissioner has advised me that the mechanism whereby tax credits are used for family tax benefit debts is similar to offering arrangements which have been in place between other government agencies and the ATO for some time. Offsetting ensures that debts are collected simply and easily for both the taxpayer and the government.

What appears to be overlooked in this whole debate about family tax benefits is this: is it really the Labor Party’s policy that the money should be retained by these families? Is that really what is being said? What is being put is that it certainly assists families if the debts are collected both simply and easily. It helps both the taxpayer and the government. The taxpayer does not have to make provision for the payment of a separate debt, because the amount owing to the other agency is withheld from the tax refund and sent to that agency. In this case the Taxation Office is collecting overpayment of family tax benefits by the department of social security. The alternative to the use of offsetting against the tax refund is for the department to either take recovery action itself or allow the overpayment to stand. Which would you rather? Neither is very satisfactory. Quite clearly, it is not appropriate that you just let it stand, and it is certainly not appropriate that you have to take recovery action. It is a mechanism that is well recognised and has been in place for some considerable time.

For the first year of the family tax benefit, the offsetting provisions were not used while taxpayers developed a better understanding of the new family tax benefit system. Offsetting the family tax claims against tax commenced from 1 July 2002 for tax returns for the 2001-02 year will commence. It is not something that is a punitive arrangement. It is not as if anyone who was caught up in the mass marketed schemes and took advantage of some offer that was made by the commissioner is in any different position in principle. The offsetting of the family tax benefit is simply a mechanism which, as I said a little earlier, not only assists families generally but also assists them because they do not have to be subject to recovery action and they do not have to then let the debt stand; whereas those caught up in the mass marketed schemes of those who have not settled will of course be subject to recovery action. They are in a very different position from anyone who has been overpaid a benefit under the family tax system. As for the business with the Perth Yacht Club—

Opposition senators interjecting—

The President—Order!

Senator COONAN—I think it must be now a dozen times that I have said in this place that it had absolutely no bearing at all on any offer made by the commissioner. It seems that the politics of envy on the other side of the chamber has reared its ugly head so that even people who are involved in a very small way—not the big end of town—are not entitled to take advantage of any offer made by the commissioner.

Senator CONROY—Mr President, I ask a supplementary question. Does the minister recall the Minister for Family and Community Services stating in relation to family tax debts during question time last week: There would be families who, rather than pay their tax debt back, would like to pay it back interest free over the years. That is not an option; I am sorry.

Does the minister plan to extend the position expressed by her colleague, Senator Vanstone, that tax debts should be subject to immediate repayments to debts incurred by those who have engaged in tax minimising? Will the tax minimisers also be having their tax refunds taken without notice just like those with family tax debts? Or is this yet another case of double standards: one rule for a select group and another for ordinary Australians?

Senator COONAN—in his supplementary question, Senator Conroy appears not to understand the difference between offsetting a debt and recovery of a debt under a totally different arrangement with those caught up in mass-market schemes. But while we are talking about tax, of course, I am always very happy to talk about the tax policies of this government and any alternative policies, if there were any. The family tax benefits
overpayment arrangement has been specifically arrived at as an offsetting arrangement that has been in place, used, I believe, by those on the other side when it was appropriate to do so. It is an entirely appropriate arrangement that takes into account the needs of families to avoid recovery action and to avoid letting the debts stand. It is an entirely fair arrangement. (Time expired)

### Law Enforcement: DNA Collection

**Senator HARRIS** (2.39 p.m.)—Mr President, my question is to the Minister for Justice and Customs. In an attempt to comply with some of Senator Kemp’s suggestions earlier, my question is not so complex. Is the minister aware of any scheme to collect random DNA samples from the Australian people?

**Senator ELLISON**—That is a pretty straightforward question, Mr President. I am not aware in Australia of any scheme for the random collection of DNA samples from anyone. As you know, the Commonwealth has introduced legislation in relation to the collection of DNA samples and we put that in our Model Criminal Code. All state and territory jurisdictions have either followed, or are following, that with the exception of Queensland and the Northern Territory, and there are discussions ensuing with officials from those two jurisdictions. We do have safeguards in place. DNA samples can be taken only from those people suspected of committing serious offences who have been charged with those offences or convicted. Indeed, throughout Australia we are seeing at the moment the collection of DNA samples from various members of the prison population in Australia.

At the Commonwealth level, we have set in place model legislation for the collection of DNA. It is an essential tool in fighting crime. We do not see any reason for there to be a random system, nor do we see any reason for there to be a collection of DNA from everyone in Australia. The system we have in place is a targeted one which has worked well overseas in the United Kingdom, for instance, and in New Zealand where we have seen significant rates of solving unsolved crimes. In short, I am not aware of any random collection of DNA samples from people, and certainly this government would not support that.

**Senator HARRIS**—Mr President, I ask a supplementary question. If the police were to take samples from people while taking a random breath test without telling them that, in addition, the samples were being retained for DNA identification, and the people were therefore not made sufficiently aware of their legal rights, would that be an appropriate way to collect samples?

**Senator ELLISON**—Certainly the Commonwealth would not regard that as an appropriate way to collect DNA samples and I am not aware of that system operating in any of the state or territory jurisdictions. Certainly there is provision for the collection of DNA samples with the knowledge and consent of the person concerned, and there are provisions for the taking of samples pursuant to a court order where the person does not consent. But I am not aware of that occurring, as mentioned by Senator Harris, and certainly it would not be an appropriate procedure under our model laws on the subject.

### Agriculture: Drought Relief

**Senator O’BRIEN** (2.42 p.m.)—My question is to Senator Ian Macdonald representing the Minister for Agriculture, Fisheries and Forestry. Can the minister advise whether the government has received advice from the New South Wales government that exceptional circumstances applications from areas in the states north are pending? In line with the exceptional circumstances reform process considered by the Commonwealth and states in May, will the minister assure drought affected farm families that their applications will be assessed within four weeks of their lodgment?

**Senator IAN MACDONALD**—Senator O’Brien asks a question, the theme of which he was pursuing last week. He has called upon Minister Truss to work with the state governments to improve the EC process. He put out a press release making this call, and I have to say that his release was ignored because everyone knows that Senator O’Brien was being slightly disingenuous in that call. Minister Truss has tried to work with the states on EC. In fact, Senator O’Brien per-
haps was disappointed after the May ministerial council meeting when it appeared that Minister Truss had achieved some—though not complete—consensus with the states. Senator O’Brien apparently does not want to have that consensus with the states because it will mean that the states will have to take some responsibility to help farmers. State ministers have agreed with Minister Truss’s plan for reform of EC and agreed that it was a good plan. Some of them wanted to work with Minister Truss to further develop the EC plan jointly. Others, including the Queensland and New South Wales ministers, indicated that they would prefer to keep using EC as a political tool to attack the federal government. They were clearly not interested in working with Minister Truss. Senator O’Brien, could I suggest with respect that, as I said to you last week, you would be better off using your influence to urge your state colleagues—many of whom have no real understanding of rural Australia and who simply want to play on the farmers’ woes to score points—to help farmers by joining with the federal government in overcoming these very difficult times.

It is a very difficult drought and the state governments are required to provide assistance. For EC to apply it has to be a once-in-a-lifetime or cataclysmic event and then the federal government will come in and provide assistance but until that time these are really issues for the states. I urge Senator O’Brien to work constructively with the Commonwealth government. I personally believe he has some interest in doing it. The best way he could do that is not to make political points of this but to work with Mr Truss, to work with the federal government and, more importantly, to get his state Labor colleagues to work with the Commonwealth so that a non-political resolution can be achieved in these very difficult circumstances in which farmers find themselves.

Senator O’BRIEN—Mr President, I ask a supplementary question. I take it from the minister’s answer that he is happy for the gun to be at farmers’ heads and that the government will not guarantee a response to farm families’ applications within four weeks. Given that is the case, what action did the Minister for Agriculture, Fisheries and Forestry take in response to my warning on 11 June this year that exceptional circumstances applications would soon be lodged? Will the minister ensure that the bungling by Minister Truss of the exceptional circumstances reform process does not delay much-needed relief for farm families? Or is the government content simply to hold the gun at farmers’ heads and threaten to pull the trigger if the states do not comply with the federal government’s wish?

Senator IAN MACDONALD—These things are principally matters for state government. Only in those once-in-a-lifetime events does the federal government come in. I categorically deny that Mr Truss has bungled, as you say, the EC reform. I was at the ministerial council meeting when he very skilfully got agreement from the agriculture ministers. It was only when they got back home and talked to their treasurers that they all went to water, and that is where you could help. You say that you issued some warning to Mr Truss in June. I am not sure how you issued that warning but, Senator, if you are serious—and I believe that at times you are—about helping people in these difficult circumstances, rather than issuing a press release and running it around the political journalists why do you not go and see Mr Truss and say, ‘Why do we not do this, let’s approach the state agriculture ministers together and let’s try work something out so that the farmers are given some help’? In that way, Senator O’Brien, you could help, and I think you would like to. (Time expired)

Forestry: Forest Management

Senator McGAUIN (2.47 p.m.)—My question is also to the Minister for Forestry and Conservation, Senator Ian Macdonald. Will the minister outline the expected impacts on rural and regional communities because of the Victorian government’s recent decision on forest management? Is the minister aware of any other approaches that are impacting on rural and regional areas?

Senator IAN MACDONALD—As a senator looking after country Victoria, Senator McGauran, along with Senator Troeth, will be well aware of the fact that the regional forest agreements into which the
Commonwealth entered with the Victorians provided for the setting aside of comprehensive adequate representative reserves and at the same time guaranteed certain areas for logging. Unilaterally—without any reference to the Commonwealth at all—the Victorian government a couple of months ago slashed logging in Victoria by about a third. Senator McGauran asks me what the impact of that was. Do not take my word for it, Senator McGauran, read what the Assistant National Secretary of the forestry division at the CFMEU said. That is Michael O’Connor. I understand his brother is one of your colleagues in this parliament. He said that as a result of this, 600 jobs would be put at risk in country Victoria. That is, 600 jobs would go as a result of the Victorian government’s decision. He went on to say that, in social terms, that equated to hundreds of thousands of job losses in metropolitan Melbourne. If that happened in metropolitan Melbourne, you could understand the outrage from Victorian members of parliament. They would be howling at the tops of their voices. But, because it is in the country, nobody over on the other side here and nobody in the federal Labor Party has any concern at all that 600 jobs are to go from country Australia.

The Commonwealth by comparison has put in some $13 million to help with industry development assistance in Victoria as a result of the RFA, and that is what you do to help with jobs in the country. Another way of doing it is to provide for tourism in country Australia, and the Howard government has certainly been at the forefront in achieving this by supporting tourist icons, particularly in remote Australia. I had the pleasure recently of taking the Treasurer to the Stockman’s Hall of Fame and the Qantas Founders Museum in Longreach and to the wool scour and the old post and telegraph station in Tambo. They have all received substantial funding from the federal government.

We have also provided some $4.66 million to the Shearers Hall of Fame in Hay in New South Wales. That was to pay tribute to an industry that has helped to build country Australia. The shearers union, which amalgamated with the general labourers union to form the AWU—both Senator Ludwig and Senator Forshaw will know about that—now supposedly look after the shearers. But what have they done? What have the AWU done? Senator Forshaw should be ashamed of this. They have black-banned the Shearers Hall of Fame because they will not let them sign an individual contract with the centre. They will not let them do that. The AWU and their masters—or their minions, I should say—in the ALP are trying to shut down the Shearers Hall of Fame which would bring real jobs to country Australia because they will not fall into line with the union’s outdated view of industrial relations. It is no wonder the ALP want to limit the power of the unions, when you have unions like the AWU trying to stop job creation in country Australia. I ask you, Senator Ludwig and Senator Forshaw, to get onto your union, the AWU, and have them help and support the Shearers Hall of Fame so that we can create jobs in country Australia.

Trade: United States Beef Quota

Senator COOK (2.52 p.m.)—My question is to Senator Hill as the Minister representing the Minister for Trade. Can the minister confirm that the government is considering a proposal from the United States to reform agricultural trade barriers that would disadvantage Australian beef producers by giving an additional quota to countries other than Australia? Will the minister assure Australian beef producers that access to our biggest export market will not be damaged by the government’s trade negotiations?

Senator HILL—I am sure that that would be so, but perhaps I should get a more fulsome report from Mr Vaile and let the honourable senator know the detail as soon as possible.

Senator COOK—Mr President, I ask a supplementary question. While the minister is getting a further report to better inform the chamber in answer to my question, he might also take on board this question: given the fiasco resulting from the Minister for Agriculture, Fisheries and Forestry’s mishandling of US beef quotas and the divisive and damaging impact it has had on the Australian beef industry, can he assure beef producers that Mr Truss will be kept well away from these crucial negotiations?
Senator HILL—I assume that that was a rather feeble attempt at humour that does not really deserve a response.

Environment: Maralinga Rehabilitation Project

Senator ALLISON (2.53 p.m.)—My question is directed to the Minister representing the Minister for Science. I refer to the remarks made by the Minister for Science on 14 August 2002 that the shallow burial for plutonium contaminated debris at Maralinga exceeds world’s best practice. How is it that the government proposes to store low-level waste in purpose-built lined trenches 20 metres deep when at Maralinga long-lived radioactive material is buried under a metre or two of soil? Why won’t your government admit that it took the cheap and nasty solution at Maralinga and what will your government do if the South Australian government refuses to accept responsibility for the land?

Senator ALSTON—The first point, Senator Allison, is that it is your government, too, not just ours. All Australians have a government that presumably they respect. Having made that powerful point, let me make another point because Senator Allison seems to be labouring under the misapprehension that somehow there is a cheap and dirty solution in place in relation to Maralinga. There have been suggestions, most recently I think reflected in a resolution of this chamber which presumably came about through some unholy collusion between, I don’t know, was it the militant tendency or the progressive centre? I cannot remember but, anyway, whoever it was who got together with the Labor Party.

But contrary to the assertions contained in that resolution, the Maralinga rehabilitation project to clean up the main test sites at the former British atomic test site was successfully completed in the year 2000. More than $108 million was spent on site remediation and the government at all times acted on expert scientific advice, achieving a world’s best practice result. That is quite a fair way away from ‘cheap and nasty.’ It is a project that we can be proud of because it is the first time that a clean-up of a test site on this scale has been completed anywhere in the world. The Commonwealth’s independent regulator, ARPANSA, has confirmed that the clean-up met the standards agreed at the start of the project by the Commonwealth, South Australia—

Senator Carr—Was that world’s best practice?

Senator ALSTON—Yes, that is right—best practice, absolutely. I am sorry you have not studied the issue a little more closely—

Senator Carr—I have studied it; it’s absolute nonsense.

Senator ALSTON—but you have been too busy inquiring about those mail-order degrees from Norfolk Island. That might be your best chance of getting some formal qualifications. ARPANSA confirmed that the clean-up met the standards—

Senator Robert Ray—if you remember that, you can remember going from a wet to a dry in three months.

Senator Carr—at least he’s not a lawyer!

Senator ALSTON—I have to say that Senator Ray has been consistent; he hasn’t taken an interest in policy since 1996 and that’s a pretty fair—

The PRESIDENT—Order! Will senators on my left come to order! The minister should address his remarks through the chair.

Senator ALSTON—ARPANSA has confirmed that the clean-up met the standards agreed at the start of the project, standards which are consistent with international guidelines. Most of the site is now safe for unrestricted access and a relatively small area has restrictions on permanent habitation. The risk of developing a fatal cancer has been reduced from one in 100 to one in 20,000. Surveys of the site following the clean-up have confirmed the effectiveness of the removal of radiation contamination.

Senator Robert Ray—we know where you are going to spend your summer holidays.

Senator ALSTON—I am sure if I went there, I would not see you there. There is no basis for claims that significant amounts of contaminated soil were transported as dust during the clean-up.
Senator Robert Ray—You could hold a lawyers’ conference there.

Senator Carr—Or the Liberal Party—

Senator ALSTON—We could invite you along for an education program, and I am sure the government would look seriously at giving you a tax deduction because there is a desperate need for you to be aware of the significance of some of these issues. There is therefore no basis for claims that significant amounts of contaminated soil were transported as dust during the clean-up. The link made between the Maralinga clean-up and the national repository and store are spurious. The clean-up of wide scale, pre-existing contamination at Maralinga cannot be compared in any way with planned projects to safely dispose of, or store, Australia’s radioactive waste.

Senator ALLISON—Mr President, I ask a supplementary question. I did not refer to soil in my question and I ask the minister to address this in his supplementary answer. Minister, even your intermediate level waste, designed to take uranium and americium, is proposed to be stored deep underground. Both uranium and americium are contaminants in shallow trenches in Maralinga. Is it not time to exhume the medium and long-lived radioactive debris at Maralinga, sort it out and use a safer, more long lasting method of storing this material?

Senator ALSTON—I do not claim to be able to exchange scientific criticisms with Senator Allison, but I am aware that a former contractor to the department has recently made various allegations in the media about the project and he certainly followed them up in a letter to the *Australian Financial Review* claiming that the government has a double standard in dealing with radioactive waste. His claims are wrong. They have been refuted by Dr John Loy, the CEO of ARPANSA. As I have already said, the clean-up was designed to vastly improve the situation at an existing contaminated site. The rehabilitation followed a plan proposed by technical experts, and it was carried out in accordance with principles set out by the International Commission on Radiological Protection—

Senator Conroy—Sit down.

Senator ALSTON—I know you agree with us on this and I am pleased to hear it, so perhaps you would like to apologise for supporting that motion the other day. The fact is that we have at all times acted with concern and sensitivity. (Time expired)

Law Enforcement: Local Government

Senator LUDWIG (2.59 p.m.)—My question without notice is to Senator Ellison, the Minister for Justice and Customs. Is the minister aware of the views of his colleague the Minister for Regional Services, Territories and Local Government, Mr Tuckey, that local government should assume greater responsibility for policing? Has the Minister for Regional Services, Territories and Local Government held any discussions with you regarding moving police powers and responsibilities from federal and state police forces to local government? Have there been any moves from Mr Tuckey or anyone else in the government to include these suggestions on the agenda for meetings, state and federal, of police ministers? Does Mr Tuckey’s view represent your government’s policy on policing, or is he just plain flying a kite?

Senator ELLISON—Mr President, what Mr Tuckey was saying was that the states and territories have done such a lousy job of law enforcement that perhaps it would not be such a bad thing if we looked at local government. He was saying that with the increased revenue from the GST the state and territory governments should use more of that money for law enforcement and community policing and direct that money to where it was intended—that is, for law and order, which is primarily a constitutional responsibility of the state and territory governments. The Commonwealth does not have that constitutional responsibility.

The government have been very strong on law enforcement and have committed unprecedented funding to law enforcement at the national level. We remain totally committed to working with all governments in Australia in relation to law enforcement in this country. In a Federation such as ours, you need state and territory governments who are committed to law enforcement.
When you look at their poor track record, you can see why people like Minister Tuckey are looking elsewhere in relation to the delivery of services in relation to law and order. As I have said publicly, the Police Federation wrote to me about this matter and I am considering the matters that they have put to me on this subject. But, primarily, the Commonwealth remains responsible for law and order at a national and international level, and the day-to-day community protection and law and order rests with the states and territories.

Senator LUDWIG—Mr President, I ask a supplementary question. Do you intend to take up the representations from the national or state police associations with Mr Tuckey about his apparent view?

Senator ELLISON—If the question is relating to changing the funding activities for law enforcement, I have no proposals to change the funding arrangements that we have put in place. We have an excellent Australian Federal Police force and an excellent track record in relation to national law enforcement. I think Senator Ludwig has misunderstood what Minister Tuckey is on about. What he is saying is that the states and territories have failed dismally and that maybe local government could do a better job than they could.

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

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS

Superannuation: Commercial Nominees of Australia Ltd

Senator COONAN (New South Wales—Minister for Revenue and Assistant Treasurer) (3.03 p.m.)—Earlier in question time, Senator Sherry asked me a question in relation to Commercial Nominees. I am advised that ASIC has in fact referred two matters in respect of the former directors and trustees of Commercial Nominees to the Director of Public Prosecutions. These briefs to the DPP include matters relating to the former director of Commercial Nominees, purported to be in Central America. This is in addition to APRA currently taking steps to disqualify the former trustees of Commercial Nominees under the Superannuation Industry (Supervision) Act.

AUSTRALIAN LABOR PARTY
Leadership and Office Holders

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.03 p.m.)—I seek leave to incorporate in Hansard a revised list of the shadow ministry, including shadow parliamentary secretaries and representatives in both chambers. Leave granted.

The document read as follows—

SHADOW MINISTRY
as at 23 August 2002

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<th>PORTFOLIO</th>
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<td>Senator Kate Lundy</td>
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<td>Senator George Campbell</td>
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<td>Senator Chris Evans</td>
<td>The Hon Graham Edwards MP</td>
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<td>Senator Mark Bishop</td>
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<td>Family and Community Services Manager of Opposition Business in the House</td>
<td>Wayne Swan MP</td>
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<td>Annette Ellis MP</td>
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<td>Communications Parliamentary Secretary</td>
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<td>Environment and Heritage Parliamentary Secretary</td>
<td>Kelvin Thomson MP</td>
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1 Members of the Shadow Cabinet are shown in bold-type. Parliamentary Secretaries are shown in italics.

**QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS**

**Immigration: Border Protection**

Senator ELLISON (Western Australia—Minister for Justice and Customs) (3.04 p.m.)—In answer to a question from Senator Brown on 22 August this year, I undertook to provide further information, if it was available, in relation to a question concerning the Australian Protective Service’s role on Manus Island. I have that now, and I seek leave to incorporate that information in *Hansard*.

Leave granted.

The answer read as follows—

Further to my response to Senator Brown on 22 August 2002, I provide the following information:

The Australian Protective Service (APS) contingent on Manus Island does not have access to tear gas or OC spray. The contingent has been equipped with civil disorder equipment, including riot shields, helmets and batons. All of this equipment is secured and may only be drawn for service based on operational requirements and at the direction of the APS Contingent Leader.

APS officers working at Offshore Processing Centres at Nauru and Manus Island are appointed as Reserve or Special Constables under agreements with the Nauru and Papua New Guinea (PNG) Governments. The agreements were fa-
ciliated at the request of DFAT, DIMIA and PM&C. Accordingly, there are arrangements in place for the conferral of each contingent to be sworn as Reserve or Special Constables. The conferral of Reserve or Special Constable status was to enable APS Officers to legally perform protective security functions at Offshore Processing Centres.

The current deployment of APS officers are in the process of having their conferral papers signed to facilitate their status as Reserve or Special Constables. Due to operational requirements, deployments to Nauru and Manus Island are for limited periods only. Whilst there is no formal MOU between the APS and the Nauru and PNG Police Forces in respect to this matter, all officers sworn as Reserve or Special Constables are advised of their powers in writing by the respective police agencies.

The APS are responsible for responding to incidents within the Offshore Processing Centre at Manus Island, which requires working in close co-operation with the Papua New Guinea Defence Force (PNGDF). The PNGDF response to any incident is under the authority of the PNGDF Base Commander.

**Australian Prudential Regulation Authority**

**Senator COONAN (New South Wales—Minister for Revenue and Assistant Treasurer) (3.04 p.m.)—** I took a question without notice from Senator Hogg on Thursday, 22 August relating to some comments made by Mr Hockey. I seek leave to incorporate his reply in Hansard.

Leave granted.

The answer read as follows—

**Question:** Does the minister recall comments by her predecessor and former factional ally Mr Joe Hockey on 2 October 2001 alleging various misconduct by trade union representative trustees of industry superannuation funds? Hasn’t the Assistant Treasurer in answers to questions on notice tabled on Monday confirmed that Mr Hockey received no advice providing evidence of misconduct by union trustees because there is no evidence of misconduct? Will the Assistant Treasurer therefore demand that Mr Hockey retract his remarks?

**Answer:** I am not aware of comments by my predecessor Mr Joe Hockey on October 2, 2001 alleging various misconduct by trade union representative trustees of industry superannuation funds.

I am aware that according to a transcript of the release of the Superannuation Working Group discussion paper on October 2, 2001, Mr Hockey said:

“Now, it is not good enough that we have strong controls on banking, strong laws and prudential rules for banking and we have more money in superannuation than we do in the banking system. And superannuation is less regulated than banking. It is going to be tough. It is going to be hard particularly for the industry funds. It is going to mean that the representatives of some of the workers on those industry funds, including union officials, are going to start to be held accountable for investment decisions. It is going to force those people to disclose and at times, seek approval, of members if they are going to engage in related-party activities. So if they are giving work to mates they are going to need to seek approval of members of the fund. The days of the cosy relationships in superannuation are now over.”

An answer, tabled by me, to Question on Notice No. 305 states that in answer to the questions:

Is APRA aware of any instances where trustees of industry or corporate superannuation funds who are union officials have been responsible for inappropriate conduct of the type outlined in the working group issues paper? And

Did APRA provide any advice to Mr Hockey to this effect before he made his remarks on 2 October 2002?

I replied “no” to both questions.

The question of whether or not Mr Hockey wishes to retract any remarks is a matter for Mr Hockey.

**QUESTIONS WITHOUT NOTICE:**

**Take Note of Answers**

**Superannuation: Commercial Nominees of Australia Ltd**

**Senator SHERRY (Tasmania) (3.04 p.m.)—** I move:

That the Senate take note of the answers given by the Minister for Revenue and Assistant Treasurer (Senator Coonan) to questions without notice asked by Senators Sherry and Conroy today relating to superannuation and taxation.

What the Minister for Revenue and Assistant Treasurer’s responses highlight is the double standard approach by the Liberal government. On the one hand, there are the problems of the family tax benefit overpayments
which are being deducted without the authority and, in many cases, without the knowledge of many Australians from their tax refund. On the other hand, there is their soft attitude towards the top end of town.

The issue that I raised today concerns the matter of Commercial Nominees, which is a superannuation savings vehicle. Theft and fraud in the superannuation industry is not significant but in the case of Commercial Nominees, where this has occurred, some $25 million from the retirement superannuation savings of hundreds of individuals, both pre and post-retirement, who are members of Commercial Nominees, was stolen. We know that is a fact because the Superannuation Industry (Supervision) Act provides for compensation to be paid where theft and fraud occurs in respect to superannuation.

We know that the Assistant Treasurer, Senator Coonan, did receive advice from a senior legal counsel through the Australian Prudential Regulation Authority—commonly known as APRA—which concluded that fraudulent conduct did occur by a number of individuals who were managing, in this case, some $25 million of hundreds of Australians’ retirement income savings. We know that fraudulent conduct has occurred. Legal advice went to the minister via APRA and the Assistant Treasurer, Senator Coonan, has accepted that legal advice, correctly. We do not criticise her for accepting the legal advice that fraudulent conduct has occurred. The minister then went on to award compensation.

In the Labor Party’s view, in these sorts of cases where we are dealing with compulsory retirement income savings—superannuation—we believe that full compensation should occur. It has not occurred in this particular case. That is an important issue but it is a side issue to the central issue of this minister and the Liberal government in particular being soft when it comes to the top end of town in these sorts of fraudulent cases. We know that fraud has been found in this case: the legal advice is that fraud has occurred in respect of the superannuation system. So if fraud has been found, why, 18 months after the removal of the trustees from this superannuation fund, have no charges been laid against anyone? We have received evidence on a number of individuals who have been involved in this fraudulent conduct. One of these individuals is apparently somewhere in Nicaragua in Central America, and no effort has been made to get this individual back to Australia to have him charged, to try to hold him accountable for the $25 million that has been fraudulently stolen from Commercial Nominees, being the superannuation savings of hundreds of Australians.

It is all very well for this individual to be in Nicaragua, living it up in exotic locations in Central America, but this government has done nothing about getting him back to Australia. This government has done nothing about laying charges against this individual. This government has done nothing about laying charges against the other individuals who were involved in the Commercial Nominees superannuation fraud, yet the government has accepted that fraud has occurred: it has acted to award compensation. As for the perpetrators of the fraud involving some $25 million in retirement savings, nothing has happened to those who have stolen the retirement savings of some hundreds of Australians in this case and caused an immeasurable amount of suffering while this individual suns himself in various locations in Nicaragua. It is about time the government did something about it and got him back here and laid some charges.
companies in Australia; they were second, third or fourth string.

**Senator Sherry**—Mr Deputy President, I raise a point of order. He is grossly misleading the chamber. I did not refer to the investors at the top end of town; I referred to the perpetrator who has stolen the money and whom this government will not bring back from Nicaragua.

**The DEPUTY PRESIDENT**—Resume your seat. There is no point of order, Senator Sherry.

**Senator Watson**—I am not referring to CNA as one of the top investment performers or investment houses in Australia, as he tried to imply; it was third, fourth or fifth rung at the very best. The people who were ravaging it were certainly not the directors or trustees of the top end of town; they were certainly well down the list. So on that reference he fails. The second issue is that there have already been two references to the DPP, including that of the director who went off some years ago with some money to America and then on to Nicaragua, so the truth is that there have already been two references to the DPP who are already looking into it—error No. 2. As for error No. 3, the problem was that while there was some theft or fraud perpetrated quite a number of years ago—and I could go right back to about 1997—in relation to the total loss, the theft or fraud was relatively minuscule. I hope that Senator Sherry's outburst is not going to lead certain people to challenge the levy, when it is ultimately provided, on all super funds across the country.

Let us get some background to what happened to Commercial Nominees. Until recently it was the trustee of approximately 475 small APRA funds, a master trust known as Confidens Investment Trust and two trusts known as Enhanced Equity Fund and Enhanced Cash Management Trust, often referred to as ECMT. There were also a number of corporate and public offer superannuation funds, including the Australian Workforce Eligible Rollover Fund, the Network Super Fund and the Midas Super Fund, the total assets of which were around $300 million. CNA was an APRA-approved trustee. The size of the losses caused by the collapse of CNA is estimated, however, to be about $25 million and the collapse has affected close to 25,000 investors. Most of those were in the 475 small APRA funds. The losses have caused major emotional and financial difficulties for a large number of people, many of whom placed their lifetime savings with CNA, expecting reasonable returns on their investment for their retirement. Unfortunately, some investors have been left feeling confused, helpless, angry and frustrated and they have lost a lot of confidence in APRA, to which they have naturally assigned the blame. I would like to take this opportunity to say that, since coming to office, Senator Coonan has moved very quickly and through her action a lot of people are receiving compensation.

During the committee inquiry a number of issues were raised which highlighted the performance of CNA as a trustee and the role of the regulators, including the adequacy of the regulatory framework, as well as the auditing of superannuation funds. As part of the investment strategy—and this is really where CNA went wrong—the majority of the funds should have been invested in cash. Unfortunately, they were invested in things such as strawberry farms and other undertakings; they were not invested in the likes of BT, the banks, Merrill Lynch et cetera. The other problem was that a lot of these investments were not made at arm's length. All this was not theft or fraud, which was bad and contrary to APRA's rules and all that sort of thing. In response to the committee's questions on this issue, APRA advised the committee that within the superannuation industry it is common for trustees of superannuation funds also to be trustees of other entities in which superannuation moneys are invested. This is probably where some of the weak links which needed to be tied up were. For example, Mr Phil Dally, the General Manager of Saxby Bridge Financial Planning, said that 'it would appear that CNA used superannuation money to prop up investments made previously'. So the losses incurred now are not necessarily directly due to the losses by theft or fraud which occurred quite some years ago. **(Time expired)**
Senator COOK (Western Australia) (3.15 p.m.)—I intend to speak to the second part of the motion to take note of answers referred to by Senator Sherry. ‘Mean and tricky’: they are the words that the President of the Liberal Party of Australia, Mr Shane Stone, used to describe Mr Howard—at least he did so in a letter published in the Bulletin magazine last year. Those words, ‘mean and tricky’, ought to be remembered because, when we are dealing with a matter that Senator Vanstone was talking about today, that is the best description of what the government has done. It has to be recalled that Senator Vanstone, prior to coming into this place, was a lawyer. Therefore, you have to listen very carefully to what she says in order—

Senator Hill—Mr Deputy President, on a point of order: the honourable senator has clearly misrepresented the position. As I recall, Mr Stone did not say that of the Prime Minister at all. I would have thought that that misrepresentation must have been inadvertent and the honourable senator might like to correct the record.

The DEPUTY PRESIDENT—That is not a point of order, Senator Hill.

Senator COOK—I take the honourable senator at his word. I think he is right: it appears to be mean and tricky and he appears to conduct a mean and tricky campaign. But the words ‘mean and tricky’ are there, and here is a classic case of where those words are properly applied. Senator Vanstone wants to give an impression that families in some of the lowest income areas in Australia are somehow rorting their entitlement to social security. In answer to a question today, she says, ‘Well, of course, people know how much money they receive from the Commonwealth.’ No-one is disputing that. The impression of her answer is to put the emphasis on low-income, working families in this country somehow misconducting themselves and that is totally unfair. The truth of it, as opposed to what is asserted by the minister, is that the minister expects ordinary working families to know, in every case, when and if ever they receive an overpayment, and, if they do, to immediately return it.

Of course, the way the Commonwealth is supposed to advise these people is through a regular report on their income—an income reporting mechanism. Have they provided that information to the families she is now accusing, by inference, of ripping off the system? No, of course, they have not. They are behind time; they have not come out yet. And yet families—low-income earners—are being slugged to pay back, in lump sums, amounts that they did not know they had and did not know that they were supposed to repay. That is where the mean and tricky part comes in: blame the victims; shift the blame from the government; remove any possibility of the government having a compassionate and human face about struggling Australian workers and their families. The impression she gives is different from the actual circumstances.

So what is the situation here? In the budget brought down in the year 2000, the government changed the administration of the family tax benefit scheme to remove the 10 per cent tolerance families had in estimating their next year’s income for the purpose of determining the level of family tax benefit they received. This had the effect of creating a debt with Centrelink for 650,000 families in Australia—one family in three—that received the family tax benefit because very few families can accurately estimate their next year’s income in advance, with changing employment and work patterns in their families. That is what the government expects them to do: estimate in advance what jobs they will have next year for each member of their family and how much income they will get. It is on that basis that these recovery actions have been taken.

In the middle of last year, when thousands of families found themselves in a situation of owing large debts to Centrelink, the government moved in and asked for the money immediately. Minister Vanstone’s own backbench is in uproar about this. The issue has been taken off her by the Department of the Prime Minister and Cabinet. On the weekend, Ms Helene Weston-Davey reported that she had received an overpayment, despite keeping Centrelink informed. When you add it all together, the job she had—and we are
encouraging Australians to take work—meant that her family was out of pocket by the time she paid for childcare and returned the figure to the department of social security. In fact, the government has invented a poverty trap to catch Australian families who are low-income earners in this country and it shows no human compassion, assistance or help, to help those struggling families not only get a job but also manage their obligations to the Commonwealth. (*Time expired*)

Senator BARNETT (Tasmania) (3.20 p.m.)—The first thing that I would like to say during this motion to take note of answers is that the allegations that Senator Sherry let fly earlier against the Hon. Senator Helen Coonan are most unnecessary and offensive. Senator Watson gave a comprehensive response to the allegations that were made by Senator Sherry. Immediately the response was provided by Senator Watson, Senator Sherry departed the chamber. He was not interested in the response—in the facts as the government sees it—and he departed the chamber. Senator Cook made a very vigorous set of allegations as well, and now he has departed the Senate chamber. That certainly underscores the sense of commitment from the other side of the chamber to these matters, whereas we have certainly—

Senator Ludwig—Get on to the debate. Haven’t you got an answer? You don’t have an answer, that’s why. Stop wasting time.

Senator BARNETT—We certainly do have an answer. Senator Coonan and, indeed, Senator Vanstone have set it out very well in the chamber in the last two days—if you were listening. But, for the record, I am quite happy to go through it with you. Senator Sherry indicated that this government had a soft attitude to the big end of town and was crying crocodile tears in honour of small business. I remind Senator Sherry and senators on the other side about the 13 years of Labor when we endured interest rates for small business at record highs—and now they are at 30-year record lows. As a small business person myself, I have been very thankful for those low interest rates.

Addressing the issue of the family tax benefit overpayments offset against the tax refund: yes, Senator Cook has made those allegations and Senator Vanstone has responded to them. But it is no surprise that the offsetting of family tax benefit claims against tax commenced on 1 July this year for tax returns for the 2001-02 year. The Commissioner of Taxation has advised that the mechanism whereby tax credits are used to offset family tax benefit debts is similar to the offsetting arrangements which have been in place between other government agencies and the ATO for some time. So it is not rocket science; this is not a huge surprise.

What we need in this country is a strong welfare system that will work and a good administration system that will work fairly and honestly to the benefit of the family. The people on the other side know full well that this is a very pro-family government. Our Prime Minister has always been pro-family, and this is exactly what we are doing: we are implementing pro-family policies on our side. We support the concept of mutual obligation, and we will do whatever is necessary to improve the system. If there are improvements to be made, be assured that we are in a position to make them and we will be very happy to do so. It is quite a simple philosophy that if you get paid too much then you have to pay it back. Australian taxpayers need to be protected. We need to stand up for them.

The ATO can also offset tax refunds against tax debts. Offsetting ensures that the debts are collected simply and easily for both the taxpayer and the government. That is what we are on about: protecting both the taxpayer and the government. The taxpayer does not have to make provision for the payment of a separate debt, because the amount owing to the other agency is withheld from the tax refund and sent to that agency. It is quite clear. In this case, the tax office is collecting overpayments of family tax benefit by the department of social security. The alternative to the use of offsetting against the tax refund is for the department to either take recovery action itself or allow the overpayment to stand. For the first year of the family tax benefit the offsetting provisions were not used while taxpayers developed a better understanding of the new family tax benefit system.
Senator Ludwig—Bring back Senator Mason!

Senator BARNETT—Those on the other side are quite happy to interject and are not interested in the answer. *(Time expired)*

Senator WEBBER (Western Australia) (3.26 p.m.)—I also rise to take note of the answer given by Senator Coonan and the answer given by Senator Vanstone during question time. What those opposite fail to get is that this is not an issue about the rights and wrongs of any individual family’s circumstances. It is actually about a flawed process. It is about bad legislation and bad administration. In fact, it was pleasing to hear Senator Vanstone admit today that there is actually room for improvement. It is about time!

This is all about a failure in public administration that the minister is attempting to cover up by referring to our fellow Australians as ‘welfare whingers’. It is not about welfare; it is not about the welfare system. It is not in any way a welfare issue. It is about support for families. There are lots of vulnerable parents and children out there—and, I am sorry, not all of them are on welfare. All of them—not just those who get direct support through the welfare system—need our support. This is actually about tax. It is about your family assistance tax measure. It is not about welfare, it is not about whingeing, it is not about trying to rip off the system; it is actually about tax. It is about a piece of tax legislation that aims to provide rebates to Australian families, a tax that just happens to be administered on behalf of the Taxation Office by Centrelink. There are obviously administration problems with that. But it seems that the government’s only advice to its fellow citizens who are finding it very difficult to receive their proper rebate is: ‘Have patience and endure. Just wait, and we’ll try to sort it out.’

One therefore has to wonder what policies, instructions and training were provided to Centrelink staff to assist in the implementation of this legislation, because the failure here is not on the part of Centrelink staff. With new legislation and without clear directions on possible ramifications, they were in the position of implementing the letter of the law. Let us remember that the legislation requires that the only change is to current payment from the time of the new estimate. It does not include an automatic recalculation to ensure that the person is given a choice to minimise their chances of an overpayment. In fact, as I understand the situation, Centrelink staff now actually advise their clients that they face a potential overpayment and that, by clients providing a further increased estimate, the payment is likely to balance itself out over the full year. In fact, I am informed that some Centrelink customers are now advising Centrelink on a fortnightly basis of fluctuations in their estimate to attempt to ensure that they do not end up with an overpayment.

Yet all the minister can do in response to that is call them ‘welfare whingers’. Honestly! Why does this have to be the case simply because the staff concerned with the frontline implementation of badly drafted legislation have realised that providing this advice minimises the number of Australians who end up becoming debtors to the Commonwealth? It minimises the number of Australians who have their tax refund stripped away to pay back the debt. It minimises the number of Australians who are disadvantaged because of a lack of information as to how the assistance package really works.

Commonsense suggests that Australian families are not trying to rip off the system. Commonsense also suggests that a computer system of the agency administering this assistance should be capable of handling basic recalculations of payments to wipe out potential debts. I am sure it could, if the government would only instruct that that should happen. Commonsense displayed by the Centrelink staff on the ground now assists families facing potential overpayments and actually encourages them to overestimate, so they go without income support in the first instance to minimise their chance of receiving an overpayment. Commonsense would also suggest that the government should have a better approach to re-estimating and recalculating during the course of the year, rather than engaging in an exercise where 650,000 families are faced with the consequences of
being overpaid. The failing here is not the fault of our fellow Australians; it is a failure of legislation and its implementation by this government.

Question agreed to.

**Agriculture: Sugar Industry**

**Senator CHERRY (Queensland)** (3.31 p.m.)—Mr Deputy President Hogg, this is my first opportunity to congratulate you, as a fellow Queenslander, on occupying the chair. I move:

That the Senate take note of the answer given by the Minister for Forestry and Conservation (Senator Ian Macdonald) to a question without notice asked by Senator Cherry today relating to the sugar industry in Queensland.

It is fundamental in terms of any assistance provided to the sugar industry that that reform also delivers better environmental outcomes. Sugar industry assistance in the past, as the Prime Minister acknowledged last week, has failed to deliver the reform outcomes set by the government for package after package after package. It is essential at this particular juncture, before we allocate another $100 million of government money to any sort of package for the sugar industry, that the government ensures that any assistance is tied to performance benchmarks that include environmental management.

The government’s reforms appear to suggest that bigger is better and that a third of farmers need to go. What I am worried about, and the Democrats are concerned about, is that bigger and more intensive all too often means that the environment is the loser. Between 1993 and 1996 there was an enormous expansion of acreage under which sugar was produced in Queensland. A lot of this involved land clearing of very sensitive rainforest and other areas. According to the Hildebrand report, 30 per cent of the land that was cleared and put into sugar production was not suitable for cultivation. In our view, the first priority in rationalising this industry must be taking out that land which should never have been put into cultivation in the first place.

It is also essential that we note that the run-off from Queensland cane farms ends up in the environmentally sensitive Great Barrier Reef Marine Park. The government cannot afford to allow the sugar industry to continue to deny that it has any environmental responsibility for its run-off of nutrients, pesticides, soil and all the other aspects which continually create difficulties in our North Queensland waters. It is worth noting that in the submission to the Hildebrand report the CSIRO noted a whole range of off-farm effects from poorly designed and planned cane farming. These include a sediment export to waterways and reduced water quality; high potential for nutrient leaching; salinisation of ground water and reduced water quality; reduced buffering of watercourses against sediments, nutrients and pesticides; degradation of aquatic habitat; loss of biodiversity; potential harm to freshwater, coastal and marine ecosystems, as well as the loss of biodiversity; reduced quality of drinking water; damage to riverine ecosystems; increased fish morbidity and mortality; potential harm to freshwater ecosystems; and potential increase in fish morbidity from oxygen depletion in streams.

These are all real effects if we do not ensure that farm practices in our sugar industry improve. The Democrats very strongly support having an economically, environmentally and socially sustainable sugar industry in North Queensland. We want to ensure that we have a sugar industry that does survive. The difficulty we have had in Queensland and in Northern New South Wales for so long is that each of the sugar industry plans generated by this government and its predecessor failed to produce a sustainable industry. Sustainability is not just about ensuring that there are decent incomes for North Queensland families and other sugar farmers, although this is very important. Sustainability is also about ensuring that the land that they are farming continues to produce and minimise its impact on associated ecosystems well into the future.

The industry is now facing its worst crisis because of a collapse in world prices and overproduction worldwide. It is time to finally come up with a formula that will ensure that the industry is sustainable in economic, environmental and social terms. That formula needs to ensure that, in terms of
benchmarking for assistance, world best practice environmental management tech-
niques are not just a desirable aim but an
absolute and non-negotiable necessity.

Question agreed to.

PETITIONS

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

Science: Stem Cell Research
Honourable the President and Members of the Senate in Parliament assembled:
The Petition of the undersigned shows that the Commonwealth of Australia and the various
States are considering legislation which would allow the use of excess IVF embryos in stem cell
research.

Your Petitioners request that the Senate should:
• Regard the human embryo as a human life
deserving of human dignity;
• Acknowledge the important and proven con-
tribution to medical science of adult stem
cell research; and
• Prohibit any research which results in the
destruction of human embryos.

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

by Senator Barnett (from 815 citizens)

Australia Post: Biggera Waters
Honourable the President and Members of the Senate in Parliament assembled:
The petition of the undersigned shows our con-
cern that:
(1) The closure of the Biggera Waters Australia
Post in December 1999 was against the best
interests of the residents of Biggera Waters
(2) Your petitioners request that the Senate sup-
port the reopening of the Biggera Waters
Australia Post and that the current reserved
service and the uniform postage rate, the ex-
isting cross-subsidy funding arrangement for
the uniform standard letter service and re-
quire a government assurance that no post of-
fice (corporate or licensed) will close due to
these proposals.
(3) Further, we call on the Senate to support the
expansion of the existing community service
obligation of Australia Post to encompass a
minimum level of service with respect to fi-
nancial and bill paying services, delivery
frequency, a parcels service and access to
counter services, whether through corporate
or licensed post offices.

by Senator Ludwig (from 2,235 citizens)

Petitions received.

DEPARTMENT OF EDUCATION,
SCIENCE AND TRAINING:
PRODUCTION OF DOCUMENTS
Return to Order

Senator IAN CAMPBELL (Western
Australia—Manager of Government Busi-
ness in the Senate) (3.35 p.m.)—A Senate
return to order of 20 August of this year or-
ders the tabling, by no later than now, of
various pieces of financial information re-
lating to public universities. The minister has
asked me to supply the Senate with the fol-
lowing information:

The minister’s department prepares re-
ports which contain financial projections
calculated by the department and information
provided by the institution. These are for-
warded to each university as a precursor to
annual profiles discussions. The reports are
used as a basis for confidential bilateral dis-
cussions between each university and the
department. The preparation of these finan-
cial projections is not required under section
14 or any other sections of the Higher Edu-
cation Funding Act 1988. When the depart-
ment requests education profile information
from institutions, it makes clear that certain
information collected will be regarded by the
department as commercial-in-confidence.

On 12 August this year, the Secretary to
the Department of Education, Science and
Training responded to a letter from Senator
Carr on this issue. I table this response today.
In his letter, the secretary noted that the stra-
tegic and financial planning information and
student load data supplied by institutions is
inherently commercial-in-confidence in na-
ture and was sought and supplied on that
basis. As well, the information collected
from institutions for the preparation of the
forward projections and the outcome of dis-
cussions with universities are used by the
department to advise the minister and the
government on policy issues with respect to
the financing and regulation of the higher
education sector. For these reasons, in accor-
dance with past practice, it would be inap-
propriate to provide this information to the
Senate.
The formal minutes produced following each profile visit are the record of confidential financial bilateral discussions between the universities and the department and, as mentioned previously, the outcomes of the discussions form the basis of policy advice to the minister and the government. As advised, and in accordance with past practice, it would be inappropriate to provide this information to the Senate.

Section 14 of the Higher Education Funding Act 1988 does not require the preparation of a summary report along the lines requested by Senator Carr, nor does the department prepare such a report as part of the profiles process—other than by way of providing policy advice to the minister. The department does prepare a summary of the higher education sector’s performance and publishes this information in the higher education report for the relevant triennium. I am happy to table a copy of the Higher education report for the 2002-2004 triennium on the minister’s behalf. Parts 1.1, 1.5 and 1.6 of the report deal with enrolments, prudential assurance and Commonwealth funding and institutions’ performance respectively. A commentary on the financial standing of the sector can be found at page 47 of the report.

Detailed information on the involvement profile for 2000 for all institutions is provided in the publication Students 2000: selected higher education statistics. I table a copy of this publication. The operating result for 2000 for all institutions is available in the publication Finance 2000: selected higher education finance statistics. I table a copy of this document. These publications also contain data for all institutions and the sector for 2000 covering the requested financial information, selected research performance measures and enrolment information.

Changes in the operating result for all institutions for the period 1996-2000 can be found at figure 1.19 on page 52 of the Higher education report for the 2002-2004 triennium, which I have already tabled. Section 14 of the Higher Education Funding Act 1988 does not require the preparation of summary reports along the lines suggested at point six of Senator Carr’s request, nor does the department prepare them as part of the profiles process, although it may produce such information in order to provide the minister with policy advice.

Much of the information requested for 2000 has either been published in the publication Finance 2000: selected higher education finance statistics or been previously provided to the Senate Committee on Employment, Workplace Relations and Education in response to questions on notice. I am happy to table these answers today. I would also like to inform the Senate that the Australian Vice-Chancellors Committee supports the minister’s response to this request.

Senator CARR (Victoria) (3.40 p.m.)—by leave—I move:

That the Senate take note of the documents.

We see today a response from a government who are desperate to hide the true nature of the financial crisis in the Australian higher education sector. We have heard today from a government who clearly do not want the public to know the nature of the financial state of Commonwealth funded universities. They are saying that this is not the business of Australian taxpayers. They are not prepared to indicate whether or not our universities are in a financially secure position. They are saying that that is none of the business of this Senate.

Dr Nelson is running around the country, conducting a review of the country’s higher education system, but he will not give this Senate basic information about the financial circumstances facing Australian universities today or about what the department knows, in terms of its projections, is the likely situation for universities across the next three years. We have been provided with a number of published documents about events that occurred in the past, which of course anyone who knows anything about higher education is only too well aware of and more than capable of accessing. It shows contempt by this government to respond to this return to order in this way.

At the June Senate estimates, departmental officers confirmed that there was detailed financial information prepared by the department, of exactly the type that the Senate has asked the government to provide today.
What is provided by each university is collected, collated and processed by the department on an annual basis. This information includes forward projections. There are forward projections for every university in this country. This information—these projections—is based on estimates that the universities themselves provide, but it is also processed by the department and produced in graphic form—in colour, no less.

Here is an example of the so-called highly confidential information. Here is an example of the information that this government says will bring down the universities of this country if this Senate is given copies of it. It is information about the availability of funds, expenditure by activity, student-staff ratios, funding for students and staff, fee-paying students, the ratio of salary costs to total expenditure of staff et cetera. I will ask leave to table this document that is so secret and confidential. This information relates to one particular college, Batchelor College in the Northern Territory. There are figures and tables such as this—I have others here—from every university in this country. We are told that this information is so secret that this Senate cannot be provided with it. Information that is widely known across university administrations in this country is prepared by this government every year—information that is vital to an assessment of what is actually happening in our universities; information that is critical to any proper public debate about the future of higher education in this country.

Associated with each of these reports are basic assumptions, outlined in detail, as to the effect of government policies on these universities. What we are being told here today is that information is provided by the department to the universities. At every estimates they have this information, and it comes back to the Senate in that form. The difference is, of course, that you have to know what questions to ask. You are not provided with the full, glossy report that is provided to each of the universities; that is information that they can have that the Senate cannot have.

Dr Shergold has written a letter to me, and it has been tabled here today. He wrote about the department’s failure to answer these basic questions at Senate estimates. After the hearings, his officers confirmed that the information I was seeking was readily available in the department. We are not asking for new information to be created; this is information that is used day in, day out by the officers of the Commonwealth. I showed the letter that has been tabled here today to Mr Harry Evans, the Clerk of the Senate. He made a few comments in response, and I will seek to table those responses in full, too. Dr Shergold’s claims were, as has been repeated today, that making the information available would severely damage the interests of individual institutions. That is a claim that is not demonstrated. No evidence is produced to support that claim. Dr Shergold also provides the view that it could ‘give incorrect and misleading pictures of the present and future financial health of institutions’. We are entitled to ask why it is that only the government officers are the ones who can rightly claim, in their view, that they have a correct view of education policy in this country. That is a nonsense. Quite clearly, this is the basis on which the department is relying for its judgments about the future of higher education in this country.

Dr Shergold’s letter also goes on to say that releasing the information might ‘adversely affect Australia’s reputation internationally’. The Clerk of the Senate advises me that this is effectively the LAPD excuse, named after a Los Angeles mayor who said that the public could not be told about offences committed by the Los Angeles police, because it would undermine confidence in the police force. Surely there is reason for all of us to be concerned about—to fear for, in fact—Australia’s international reputation when the public that pays for these institutions is not entitled to have basic information about how the system is running—not about what happened in the past but about what is happening now, to get an assessment of what the government knows is happening into the future.

Dr Shergold’s letter says that the financial projections constituted ‘policy advice to the minister’. Quite clearly, they are based on data which is advice made available through
public means, through the department by departmental documents, and in no way cover normal provision of the concept of ministerial advice. It is like saying that every single item in the department is protected from disclosure to the Senate on the presumption that one day it might be required for advice to a minister. Clearly, that is a nonsense.

Dr Shergold also goes on to say that the HEFA does not require the financial projections to be provided to the Senate. Not explicitly—but section 14 of the act specifies that information be provided by universities to universities as part of the profiles process, in a form approved by the minister. The minister, through the department, obviously requires the information to be provided. Again, it is a nonsense to say that this government can excuse itself from public scrutiny and accountability because it does not suit it that information be made available which will clearly expose the deep, structural financial crisis within Australian universities.

The information is available, the government acknowledges that it is available, it is prepared on an annual basis, it is required to be provided by an act of this parliament, and the government is now seeking to deny this parliament access to that information. That is quite clearly a situation that is unacceptable.

There is quite clearly a case here. There is no argument about this, as far as I can see, other than the fact that the government is seeking to hide behind a cloak of secrecy to avoid accountability. These are obviously matters that will not rest here, and I would suggest that these are questions that need to be pursued through the full processes of the Senate. It may well be that this is a matter that we will have to revisit. I have reports already on a number of these institutions. I know that the reports exist, and I think it is totally inappropriate for the government to seek to avoid its responsibilities to higher education, and to the public education debate, by hiding behind this pathetic, miserable excuse of claiming commercial-in-confidence when quite clearly these are issues that universities know fully about. It is not hiding anything from the universities; they actually know what is going on. I would think that it would be appropriate for the government to reconsider its view. I seek leave to table one of the graphs and charts that were considered so secret. (Time expired)

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (3.51 p.m.)—by leave—Madam Acting Deputy President, Senator Carr has been here long enough to know that, if you seek leave to table something, the fundamental courtesy is to show it to the other side of the parliament. He has not done that, so I will not at this stage grant leave.

Leave not granted.

Question agreed to.

NOTICES

Presentation

Senator Ridgeway to move on the next day of sitting:

(1) That the following matter be referred to the Legal and Constitutional References Committee for inquiry and report by March 2003:

Progress towards national reconciliation, including an examination of the adequacy and effectiveness of the Commonwealth Government’s response to, and implementation of, the recommendations contained in the following documents:

(a) Reconciliation: Australia’s Challenge: Final Report of the Council for Aboriginal Reconciliation to the Prime Minister and the Commonwealth Parliament;
(b) the Council for Aboriginal Reconciliation’s *Roadmap for Reconciliation* and the associated *National Strategies to Advance Reconciliation*; and

(c) the Aboriginal and Torres Strait Islander Social Justice Commissioner’s social justice reports in 2000 and 2001 relating to reconciliation.

(2) That, in examining this matter, the committee have regard to the following:

(a) whether processes have been developed to enable and require government agencies to review their policies and programs against the documents referred to above;

(b) effective ways of implementing the recommendations of the documents referred to above, including an examination of funding arrangements;

(c) the adequacy and effectiveness of any targets, benchmarks, monitoring and evaluation mechanisms that have been put in place to address Indigenous disadvantage and promote reconciliation, with particular reference to the consistency of these responses with the documents referred to above; and

(d) the consistency of the Government’s responses to the recommendations contained in the documents referred to above with the needs and aspirations of Indigenous Australians as Australian citizens and First Nation Peoples.

Senator Allison to move on the next day of sitting:

That the time for the presentation of the report of the Environment, Communications, Information Technology and the Arts References Committee on urban water management be extended to 26 September 2002.

Senator Bolkus to move on the next day of sitting:

That the time for the presentation of the report of the Legal and Constitutional References Committee on the Migration Legislation Amendment (Further Border Protection Measures) Bill 2002 and related issues be extended to 26 September 2002.

Senator Heffernan to move on the next day of sitting:

That the Rural and Regional Affairs and Transport Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 28 August 2002, from 5 pm, to take evidence for the committee’s inquiry into the Australian meat industry and export quotas.

Senator Knowles to move on the next day of sitting:

That the Community Affairs Legislation Committee be authorised to hold public meetings during the sitting of the Senate from 3.30 pm to take evidence for the committee’s inquiry into the provisions of the Research Involving Embryos and Prohibition of Human Cloning Bill 2002 on the following days:

- Thursday, 29 August 2002
- Tuesday, 17 September 2000
- Thursday, 19 September 2002
- Tuesday, 24 September 2002
- Thursday, 26 September 2002.

Senator Jacinta Collins to move on the next day of sitting:

That the time for the presentation of the report of the Economics References Committee on public liability and professional indemnity insurance be extended to 24 September 2002.

Senator Harris to move on the next day of sitting:

That the Great Barrier Reef Marine Park Amendment Regulations 2002 (No. 1) and the Great Barrier Reef Marine Park Amendment Regulations 2002 (No. 2), as contained in Statutory Rules 2002 Nos 72 and 73, respectively, and made under the Great Barrier Reef Marine Park Act 1975, be disallowed.

Senator Harris to move on the next day of sitting:


Senator Harris to move on the next day of sitting:

(1) That the process followed in formulating the Regulations;
(b) the lack of consultation in formulating the Regulations;
(c) the social impact of the Regulations; and
(d) the economic impact of the Regulations.

Senator TCHEN (Victoria) (3.52 p.m.)—I give notice that, 15 sitting days hence, I shall move:
That the Public Employment (Consequential and Transitional) Amendment Regulations 2002 (No. 1), as contained in Statutory Rules 2002 No. 87 and made under the Public Employment (Consequential and Transitional) Amendment Act 1999, be disallowed.

I seek leave to incorporate in Hansard a short summary of the committee’s concern with these regulations.

Leave granted.

The document read as follows—

Public Employment (Consequential and Transitional) Amendment Regulations 2002 (No. 1), Statutory Rules 2002 No. 87

The Regulations correct an error affecting the eligibility of certain former APS officers to seek re-engagement in the APS.

The Regulations commenced retrospectively on 5 December 1999. The Explanatory Statement gives an assurance that no person will be disadvantaged by the retrospective operation of these amendments. The Committee, nevertheless, has written to the Minister seeking advice on two matters. First, whether any person had been disadvantaged by omission, which these retrospective amendments seek to remedy. Secondly, whether any person has been re-engaged without the proper legislative authority, prior to the making of these amendments and, if so, what actions have been taken to remedy this situation.

Postponement

Items of business were postponed as follows:

In respect of business of Senate notice no. 1 (proposing the reference of a matter to the Foreign Affairs, Defence and Trade References Committee (matters including Australia’s involvement in possible military attack against Iraq)) to 28 August 2002.

General business notice of motion no.126 standing in the name of Senator Sherry proposing an order for the production of documents relating to applications for financial assistance for superannuation funds where Commercial Nominees of Australia was trustee be postponed till 27 August 2002.

General business notice of motion no. 127 standing in the name of Senator Sherry proposing an order for the production of the report presented to the government by the Superannuation Working Group till 27 August 2002.

Withdrawal

Senator MACKAY (Tasmania) (3.55 p.m.)—At the request of Senator Sherry, I withdraw general business notice of motion No. 109 proposing the reference of a matter to the Select Committee on Superannuation.

IMMIGRATION: ASYLUM SEEKERS

Senator NETTLE (New South Wales) (3.55 p.m.)—I move:
That the Senate—

(a) notes that 26 August 2002 is the anniversary of the beginning of one of the most shameful chapters in Australia’s recent history, the turning away of the MV Tampa;
(b) acknowledges that the Australian Government acted callously and against international convention in turning away the asylum seekers, who had been rescued by the MV Tampa on the request of our own Coastwatch;
(c) condemns the Howard Government for its ongoing scare mongering and cynical manipulation of public opinion against refugees and asylum seekers;
(d) calls for an end to the system of mandatory detention, which is inhumane, inefficient and an international embarrassment to Australia;
(e) calls on the Government to abandon the ‘Pacific Solution’, which is designed to avoid Australia’s international responsibilities, and to rule out any expansion of this approach including the excision of Australian islands for migration purposes; and
(f) reaffirms Australia’s commitment to its international obligations to shelter and assist humanitarian refugees.

Question put.

The Senate divided. [4.00 p.m.]

(The President—Senator the Hon. Paul Calvert)

Ayes............ 10
Noes............. 48
Majority........ 38

AYES
Allison, L.F. * Bartlett, A.J.J.
Brown, B.J. Cherry, J.C.
Greig, B. Lees, M.H.
Murray, A.J.M. Nettle, K.
Ridgeway, A.D. Stott Despoja, N.

NOES
Barnett, G. Bishop, T.M.
Bolkus, N. Boswell, R.L.D.
Brandis, G.H. Buckland, G.
Calvert, P.H. Campbell, G.
Campbell, I.G. Carr, K.J.
Colbeck, R. Collins, J.M.A.
Crossin, P.M. Denman, K.J.
Eggleston, A. Ferguson, A.B.
Ferris, J.M. * Forshaw, M.G.
Harris, L. Herron, J.J.
Hutchins, S.P. Johnston, D.
Kemp, C.R. Kirk, L.
Knowles, S.C. Ludwig, J.W.
Lundy, K.A. Macdonald, J.A.L.
Mackay, S.M. Marshall, G.
Mason, B.J. McGauran, J.J.J.
McLucas, J.E. Moore, C.
O’Brien, K.W.K. Patterson, K.C.
Payne, M.A. Ray, R.F.
Reid, M.E. Scullion, N.G.
Stephens, U. Tchen, T.
Tierney, J.W. Troeth, J.M.
Vanstone, A.E. Watson, J.O.W.
Webber, R. Wong, P.

* denotes teller

Question negatived.

MATTERS OF URGENCY
Immigration: Asylum Seekers

The PRESIDENT—I inform the Senate that I have received the following letter, dated 26 August, from Senator Bartlett:

Dear Mr President

Pursuant to Standing Order 75, I give notice that today I propose to move that in the opinion of the Senate, the following is a Matter of Urgency:

Given that, one year on from the incident involving the turning away of the MV *Tampa* from Australian waters, the Government’s so-called ‘Pacific Solution’ is directly resulting in:

(a) the continuing enforced separation of families;

(b) the ongoing detention of men, women and children on Nauru and Manus Island, including many people who have been determined to be refugees;

(c) huge and unnecessary costs which remain undisclosed but are likely to exceed one billion dollars;

(d) stresses on our relationships with PNG, Nauru and our other Pacific neighbours and a major distortion to Australia’s aid program, the need for the Government to:

(e) allow all people on Manus Island and Nauru who have been determined to be refugees to be released into the Australian community, and

(f) immediately end the practice of detaining children, by exploring methods such as placing unaccompanied children in appropriate foster or community care and allowing family groups to live in a model like the Woomera alternate detention trial.

Yours sincerely

Andrew Bartlett
Australian Democrat Senator for Queensland

Is the proposal supported?

More than the number of senators required by the standing orders having risen in their places—

The PRESIDENT—I understand that informal arrangements have been made to allocate specific times to each of the speakers in today’s debate. With the concurrence of the Senate, I shall ask the clerks to set the clock accordingly.

Senator BARTLETT (Queensland) (4.06 p.m.)—I move:

That, in the opinion of the Senate, the following is a Matter of Urgency:

Given that, one year on from the incident involving the turning away of the MV *Tampa* from
Australian waters, the Government’s so-called ‘Pacific Solution’ is directly resulting in:

(a) the continuing enforced separation of families;
(b) the ongoing detention of men, women and children on Nauru and Manus Island, including many people who have been determined to be refugees;
(c) huge and unnecessary costs which remain undisclosed but are likely to exceed one billion dollars;
(d) stresses on our relationships with PNG, Nauru and our other Pacific neighbours and a major distortion to Australia’s aid program,

the need for the Government to:
(e) allow all people on Manus Island and Nauru who have been determined to be refugees to be released into the Australian community, and
(f) immediately end the practice of detaining children by exploring methods such as placing unaccompanied children in appropriate foster or community care and allowing family groups to live in a model like the Woomera alternate detention trial.

On this issue there is no need for any of us to make specific speeches because all Democrats have identical views on this incredibly important issue, as we do on virtually all policy issues.

Senator Brandis—That’s why you’re always brawling, is it?

Senator Kemp interjecting—

Senator BARTLETT—I can understand the coalition senators wanting to jest and laugh, but it is not a laughing matter. We are talking today, as the Senate just voted, about a year since the government really plumbed the depths, lower than anybody believed possible, even by this Prime Minister’s standards, and took Australia down one of the most divisive and socially destructive paths that it has ever experienced. As I have said before, in the current Prime Minister we have probably the most destructive Prime Minister that we have had in our nation’s history, with the possible exception of Billy Hughes.

As a result of the Tampa incident—and I do not particularly want to talk for long about that; this motion does not address the Tampa incident itself but the entire so-called ‘Pacific solution’ that flowed from that incident—we have seen a continuing, deliberate policy, as this motion indicates, from our so-called ‘profamily’ Prime Minister aimed at keeping families apart. We have seen the ongoing detention of thousands of men, women and children in Nauru and Manus Island as well as the continuing detention of people in Australia, including people who have actually been through the process and have been assessed as refugees. There are still hundreds of people like that on those Pacific islands at the moment.

There have been enormous costs—in excess of $1 billion more than would have been needed to have been spent if the government had not changed its policy specifically as a consequence of the Tampa and the upcoming federal election—and those costs are still being incurred. This is not a policy that happened 12 months ago, won the government the election and then it moved on. This policy is still being prosecuted today, and the cost in human misery, social division and the degrading of the Australian social fabric—and the cost in taxpayers’ dollars—is continuing to escalate. We have the new purpose-built detention centre that is being fast-tracked on Christmas Island and being given special exemption from all of our national environmental laws at the same time. This is at a cost of more than a quarter of a billion dollars, when we have empty detention centres sitting in Australia, solely so we can keep them off the mainland for some political purpose so that the Prime Minister can say they have not set foot in Australia.

We have the immense damage being caused to our reputation in our own region, the Pacific region, the stress on our relationship with PNG at a particularly crucial time with a new government coming in there and the total perversion of the most central part of Australia’s aid program focused on the Pacific. The highest percentage of our aid program is in our own region, in the Pacific—as it should be—and we have completely distorted and perverted the whole message, the whole intent and the whole purpose of that program, not for any social good or for social development, empowerment or the hauling of people out of...
poverty but to actually put people into misery and for political purposes here in Australia. That is the consequence of the events of one year ago with the *Tampa*.

That is not to say that before that the government’s policy was sweetness and light. That was just the outcome of what the government had been doing, particularly for the last three years, with its continual distortion, propaganda and misinformation to the Australian public about the facts relating to refugees and asylum seekers. It was deliberately trying to turn the Australian people against the refugees and asylum seekers and portray them as people who were not deserving. That had been going on for years, and then with the *Tampa* it descended to depths beyond those I think anybody believed would occur. Nobody would ever have believed that an Australian government—even a Liberal government—would send in the troops and use the military to board rickety, overcrowded and barely seaworthy vessels. The evidence before the so-called ‘children overboard’ inquiry was astonishing: the use of the military to board those vessels, one of which was so overcrowded that, in order for the military to be able to board it, they actually had to take some of the people off so they could fit on. The extent to which the government went was absurd but, unfortunately, it was reality.

This motion seeks not only to recognise that but to indicate that it is a matter of urgency. It is urgent because it is not just noting an anniversary but noting that this is still happening and that thousands of people are still suffering today. It is not just people and children in detention who are suffering but people in our own community. There are thousands of people who have been recognised as refugees and are out in the community who are being deliberately denied settlement assistance and support from agencies. For what I hope must be the first time in Australia’s history, a government minister was actually saying to welfare organisations who received government funding, ‘You are not allowed to provide assistance to these people. Even if they are in need and meet the precise criteria you were set up to assist, you cannot help them. If you do, you will lose your funding.’ It is just extraordinary.

This motion also seeks to call on the government to act. The Democrats would like to see massive change. But at an absolute minimum we must recognise that there are refugees who are still detained, who have been recognised for months as refugees, on Pacific islands. They should be allowed to be free. It is a blatant breach of the refugee convention to be detaining people who are refugees.

**Senator Sandy Macdonald**—Maybe they should go home!

**Senator BARTLETT**—They are refugees. They cannot go home, you fool! That is why they are refugees. We must get the children out of jail. At a minimum we must get the children out of detention. I am glad to see the ALP recognised and supported that last week. I am glad to see them working to improve their policy. It is crucial that we prevent the Australian people with alternatives because they exist.

**The ACTING DEPUTY PRESIDENT (Senator Watson)**—Order! Senator Bartlett, could you withdraw the reference to the senator as ‘a fool’, please. It is unparliamentary.

**Senator BARTLETT**—I take your ruling and withdraw my remark, and I apologise to the honourable senator.

**The ACTING DEPUTY PRESIDENT**—Thank you.

**Senator BRANDIS** (Queensland) (4.14 p.m.)—In the last few minutes from Senator Bartlett, as he Saddles up for a run at the Democrat leadership, we have seen the adoption of the comfortable posture of the Australian Democrats—a cocktail of indignation, inaccuracy and outrage. Senator Bartlett singularly failed to address the two most fundamental facts about the Pacific solution, the policy adopted by the Howard government. The first of the facts which Senator Bartlett chose to ignore about the Pacific solution is the fact that the policy has worked. The policy has been an outstanding success on its own terms.

**Senator Jacinta Collins**—That means it has worked, does it?

**Senator Kemp**—You voted for it in the last election.
Senator BRANDIS—Senator Kemp, you never know where the Labor Party is on this. At various stages late last year the Labor Party was actually supporting the policy, as you know, Senator Kemp, through you, Mr Acting Deputy President. So the first proposition which one could have been forgiven for failing to appreciate, having heard Senator Bartlett, is that the policy has been a success. Since 16 December last year there has not been one unauthorised boat arrival in Australia. That is the first proposition: the policy worked.

The second proposition, which again was ignored entirely by Senator Bartlett in his remarks, is that the policy attracted the overwhelming support of the Australian people at the general election on 10 November last year. I know that there are few species in Australian politics who have more contempt for public opinion than the Australian Democrats. Their conduct and behaviour in the last few weeks has certainly been a textbook example of disregard and contempt for public opinion. But, truly, Mr Acting Deputy President, you would think that at least some respect for the wishes of the Australian people would be shown in debating this policy. So there we are: the policy is a success and the policy is supported by the Australian people.

One of the paragraphs of Senator Bartlett’s motion deals with the detention centres. I remind you, Mr Acting Deputy President, of the position in relation to the most well known of the detention centres, the Woomera detention centre. At the moment, for all the fuss, do you know how many people there are now in the Woomera detention centre? As of today, there are 181. Of those 181 people—these are all unauthorised boat arrivals—do you know how many there are awaiting a determination as to their application for refugee status? There are two. Two people are all who remain in the Woomera detention centre awaiting determination as to their refugee status.

Senator Kemp—I haven’t heard that on the ABC.

Senator BRANDIS—You probably have not heard that on the ABC, Senator Kemp. Of the remainder, there are 84 people who are appealing adverse determinations and 93 people who have appealed adverse determinations and whose appeals have been unsuccessful—that is, they have exhausted the avenues of appeal and are awaiting deportation. There are two others who are awaiting temporary protection visas, having had their applications for interim refugee status successfully determined. So there it is: there are two who are about to be released on temporary visas; more than half—93 of them—have exhausted their rights of appeal and are awaiting deportation; another 84 have failed in their application for refugee status but are appealing through the system; and there are only two who have not yet had a primary determination. For all the fuss about the Woomera detention centre, that is where it lies now.

I want to turn to what seems to me to be the central point in this entire debate and yet is deliberately missed by the critics of the government’s policies. People like Senator Bartlett and Senator Brown, who I see over there about to participate in the debate, love invoking the language of social justice. They love saying, ‘Social justice or fairness or humanitarian concerns demand that we condemn this policy of the Howard government.’ I say that social justice means that the places go to the neediest. There is not an unlimited number of places in the Australian refugee program. Having regard to the fact that Australia is per capita the second most generous country in the world when it comes to receiving refugees, you will know, Mr Acting Deputy President, that places are not unlimited and that every time an unlawful entrant comes across our borders he or she takes a place that would otherwise have gone to a more needy and deserving person.

On 16 April this year, the ‘children overboard’ inquiry, of which Senator Bartlett is a member, heard some very moving evidence from officers of the then Department of Immigration and Multicultural Affairs, particularly from Mr Bill Farmer, the secretary of the department. Mr Farmer described to us in graphic detail the situation of the world’s population of unsettled refugees, which he estimates as being between 14 million and 20 million people. These are stateless people;
they have nowhere to go. They are people who are in limbo and, in some cases, have been housed for up to a decade in the most appalling destitution in refugee camps in the Third World. For instance, Mr Farmer told us about the situation of the people in the Kakuma refugee camp in Kenya which houses a varying population of about 100,000 human souls. These people live in situations in which sanitation and housing are inadequate, they have no access to adequate medication, women and children are constantly at risk from predators and there is widespread malnutrition. These people are the neediest in the world.

Wouldn't you agree, Mr Acting Deputy President, that any Western nation's refugee program should be focused on the neediest people, not the people who buy passage from people smugglers, not people who—according to the evidence we heard at the 'children overboard' inquiry—spend anywhere between $US2,000 and $US7,000 to buy passage, who arrive in Malaysia and Indonesia by commercial jets and pay their money to people smugglers and who then seek to enter this country by unlawful means? Our refugee program—and anybody who is serious about social justice has to concede this, surely—should be directed to the destitute people of the world and not to people who, in the words of Mr Farmer, the secretary to the department of immigration, have been described as middle-class refugees. A well merited fear of persecution does define a refugee, but surely there are other criteria when it comes to allocating the finite places, and of all of those criteria surely the most acute must be human need.

Earlier this afternoon, in answer to a question in the House of Representatives, the Minister for Immigration and Multicultural and Indigenous Affairs, Mr Ruddock, informed the House of Representatives of the effect upon the availability of places to truly needy refugees of the Pacific solution and the success of the border protection policies of this government. Originally, we expected that in the financial year just gone only 6,500 places would be available to genuine refugees but, because of the Pacific solution, in 2001-02, 8,416 placements were able to be offered by Australia—an extra 2,000 people, destitute people, who did not pay, who did not arrive by commercial jets, who did not break our laws, who now this country, one of the most generous countries in the world, has taken into its bosom. We are made to feel by Senator Bartlett as if we are committing an offence against humanitarian values. On the contrary, our refugee program reflects our humanitarian values by concentrating on the people who need their protection most.

Senator SHERRY (Tasmania) (4.24 p.m.)—The contribution we have just heard from Senator Brandis, who I would remind the chamber is a lawyer, is fairly typical of the shifty and shady sorts of contributions we have had from the government at least in part on this issue.

Senator Kemp—Mr Acting Deputy President, I raise a point of order: to refer to a senator as shifty and shady is most unfortunate; I do not think it is appropriate and should be withdrawn.

The ACTING DEPUTY PRESIDENT (Senator Watson)—I think Senator Sherry was referring to the speech rather than to the senator as being shifty. If that is the case, there is no point of order.

Senator SHERRY—As I was saying, it was a very convoluted contribution from Senator Brandis, who, as I pointed out to the chamber, is a lawyer. Whilst I am not one who is fond of looking at the backgrounds of senators before they come into this place, you cannot help but notice that the modus operandi of lawyers is to turn black into white or white into black, and at least half of the senators on the other side in the Liberal-National Party are lawyers who have done nothing else in their lives but go through law school and work as lawyers. Indeed, at least half of the frontbench—with the exception of Senator Kemp, I would have to say—are lawyers. As I said, their modus operandi is to turn black into white. Only a lawyer could argue before the election that children were thrown overboard and then after the election, when the truth was discovered of course that that event did not happen, argue that it in fact did happen. That is the assertion from people like Senator Brandis.
I think this is an appropriate debate in which to put down a few background facts as to the arrival of refugees in this country. When the Howard Liberal government took power in 1996, there was an appreciable increase in the number of asylum seekers that sought refugee status in Australia through boat arrivals. It increased. Many were granted refugee status, many were detained and many were sent home, in accordance with the system that was set up during the Labor Party’s time in government. Between March 1996 and the 1998 election, 1,072 people arrived on our shores—under a Liberal Party government, under the current Prime Minister. Between the election in 1998 and January 2000—when our then Labor leader Kim Beazley, aware of this increasing problem, announced his coastguard policy—4,064 people arrived on our shores by boat. So between our previous leader Kim Beazley’s announcement on 3 January 2000 and 22 August 2001, the 213th boat—let me emphasise this—prior to the Tampa, 6,348 people, had arrived. That is a total of 11,484 people arriving in unauthorised boats in Australia, whether via the mainland, Christmas Island or Ashmore Reef.

The current Prime Minister, Mr Howard, did not care a damn about people smugglers up until one critical moment. He let the situation drift along for six years after their election in 1996 with an ever-increasing and significantly increasing number of refugees arriving in an authorised way through the actions of people smugglers. He let this situation increase dramatically over the six years. The government allowed 11,484 arrivals and did absolutely nothing about this issue until—surprise, surprise—just before the end of their second term in government when they decided to do something. As I have said, our then Labor leader, Mr Beazley, had flagged a coastguard to deal with the situation almost two years before the Prime Minister, Mr Howard, decided to use this influx of boat people for political purposes. The Liberal government has picked up the sensible policy proposals of engaging with the neighbourhood—Indonesia, Malaysia and Timor—off the back of Labor Party policy.

What is amazing about these figures that I have just read to the Senate is that they make a mockery of the Liberal Party election slogan, which was ‘We decide who comes into the country and the circumstances in which they come’. Mr Howard had failed to signal, tell or do anything about the 11,484 asylum seekers and many profiteering people smugglers who had decided over two terms, almost six years, of his government to head for Australian shores—up until one famous incident: the Tampa incident.

This incident started on 26 August last year, when a routine surveillance flight by Coastwatch revealed the presence of a vessel approximately 80 nautical miles north-west of Christmas Island. The KM Palapa I was carrying 433 potential asylum seekers en route to Australia before it broke down. One can only speculate about whether, if the KM Palapa had successfully reached Ashmore Reef or Christmas Island, the Howard government would have done no more than to treat it like the earlier 213 boats and taken the asylum seekers on board to detention centres on the Australian mainland for processing but, with an election to be conducted within two months and the Liberal government trailing Labor in the polls, the KM Palapa was an electoral opportunity too good for the Howard government to miss. On 27 August 2001, Australian Search and Rescue broadcast a call to any merchant ships in the vicinity to render assistance to the stricken vessel. A Norwegian freighter, the MV Tampa, responded to the call, intercepting the vessel and bringing its passengers aboard. The master of the Tampa, Captain Arne Rinnan, had intended to take the people rescued to a port in Indonesia, but the passengers demanded to be taken to Christmas Island. The captain then requested permission to berth at Christmas Island. This request was denied by the Liberal government, which directed the asylum seekers be taken to Indonesia. When the Tampa continued to proceed to Christmas Island and entered Australian waters, Australian Special Air Service troops boarded and took control of the ship.

It was in this atmosphere, and guided by the polls, that the then Liberal government
conceived its political Pacific solution as an election strategy based on the broader issue of border security. In pursuit of this strategy, the Howard government attempted a number of unseemly and inappropriately desperate actions. These included the attempt to push through the Senate border protection legislation which would have legalised murder—I suppose as a non-lawyer, Senator Kemp, you would not understand how serious that is—and a round of hurried approaches to other nations to take the asylum seekers on the *Tampa*. These approaches included the foreign affairs minister, Mr Downer, asking the UN administration in East Timor to allow the *Tampa* passengers to be transferred to a camp in East Timor. This request, made on the day of East Timor’s first election, was refused—despite a separate approach from Mr Howard to the UN Secretary-General, Mr Kofi Annan. There were also unsuccessful approaches to the governments of Fiji, Tuvalu, Palau and Kiribati about the possibility of setting up new detention centres. On 1 September 2001 the Prime Minister announced a truly Pacific solution to the dilemma he had created by promising that no asylum seeker on board the MV *Tampa* would be allowed to set foot on Australian territory. This Pacific solution was based on striking agreements with New Zealand and Nauru to allow the 433 Afghan and Iraqi asylum seekers to be transferred to holding camps on their soil while their claims to refugee status were being processed.

I wish this government would pay a bit more attention to the Russian money laundering—the hundreds of millions of dollars that have been moving through the territory of Nauru. We hear very little of that from this government—that is so desperate to rank up the issue of terrorism. I would say to the Senate that I would like to know where this Russian money that is being cycled through the various Nauru offshore financial vehicles is coming from. I strongly suspect that a good deal of it is coming from terrorist movements in the former Soviet Union.

**Senator Kemp**—Mr Acting Deputy President, I rise on a point of order. Senator Sherry is now dealing with matters which are not the subject of this motion. I suggest you direct Senator Sherry to return to the motion before the chair.

**The ACTING DEPUTY PRESIDENT**

(Senator Watson)—Senator Sherry.

**Senator SHERRY**—Thank you. I have made this point on previous occasions—what is this government doing about the hundreds of millions of dollars in Russian money being laundered through various financial instruments operating out of, and endorsed by, the Nauru government? What is the origin of these hundreds of millions of dollars in Russian money? I suspect very strongly that at least some of it is coming from some very odd sources in the former Soviet Union.

The Pacific solution was conceived in haste. It was very costly, it was unsustainable, and it had no ongoing benefit other than changing the way and the location in which the asylum seekers are processed. Let us look at the staggering costs of this so-called solution to date. The 2002-03 budget allocates the following over four years: $5.6 million for travel, $430.8 million for detention on Nauru and Manus—and we would like to know where this money is going, particularly in the case of Nauru, where money from the Russians is coming from very odd sources—$75.4 million for the regional cooperation agreement, $7 million for AusAid for Nauru, under a memorandum of understanding, and $2.1 million for the continuation of DFAT’s temporary consulate on Nauru. So far, this totals $520 million. Importantly, these figures give no indication of how much it is costing to undertake the processing by the department of asylum seekers on Nauru and in PNG.

All processing of asylum seeker claims is being carried out by the department, except for those asylum seekers who came off the *Tampa* and the boat intercepted at sea known as the *Aceng*. The processing of these people is being handled by the United Nations High Commissioner for Refugees. These figures, also, do not disclose how much the Pacific solution is costing in relation to ongoing aid, including the provision of security on Nauru and PNG by the Australian Protective Service and the Federal Police. Whilst the Federal Police are on Nauru I would like them to have a close look at the Russian moneys that
are moving through Nauru financial institutions. That is a fairly important issue. To continue the list of costs of the Pacific solution: there are also additional costs to the Department of Foreign Affairs and Trade to deal with the government-to-government issues arising out of the arrangements, costs for the department staff to visit these offshore locations, and the cost to the Defence Force of taking any intercepted asylum seekers to Nauru and PNG.

It is even more difficult to trace the money already spent on the Pacific solution as it was hastily cobbled together without any clear budget allocation midway through the last financial year. The government has confirmed that the setting up and operation of the detention centres in 2001-02 cost $72 million in Nauru and $42 million in PNG. Once again, these figures do not include any of the department’s costs for processing, additional defence expenditures or transportation and costs incurred by the APS, the Federal Police and the Department of Foreign Affairs and Trade. In terms of aid moneys, it is known that the memorandum of understanding with Nauru pledged a total of $30 million in aid. (Time expired)

Senator BROWN (Tasmania) (4.38 p.m.)—The Greens support this urgency motion. This is Tampa Day, and as such it is a day of ignominy as far as politics in Australia and this nation are concerned. While I hear the case being put by the opposition just now, which sounded very much like it supported the motion, we have in the last 12 months, besides seeing a government which has acted with enormous inhumanity towards people in distress for political ends, seen a government which has been consistently paired with an opposition arguing valiantly the case against the policies which it supports. It is an extraordinary situation in Australian politics where you have a government supported, aided and abetted by an opposition in doing the wrong thing. I frequently get asked: ‘The majority of Australians support this, don’t they?’ Opinion polls show that, but there has been no leadership from the opposition, and there is still no leadership from the opposition, to restore not just humanity but dignity and probity to immigration policy.

We Greens stand strongly for a more humane option as practised by many European countries, for example, in dealing with large numbers of immigrants. But let me again say this to the government and the opposition in this week of the Earth Summit: the failure of another policy—and that is environmental policy—is going to lead to many tens of millions more refugees as this century unfolds. A primary villain—for example, through the agency of global warming—will be the current government and its policies which will lead to a legacy of enormous environmental, economic and social disruption further down the century. The movement of people and the numbers of refugees which, as Senator Brandis pointed out, are somewhere in the order of 14 million to 16 million people in the world at the moment, is nothing compared to what is coming unless a more mature assessment of the future is made by a government which at the moment is in ostrich mode and has its head very much in the sand.

What an appalling failure to relate to other human beings as this government and this Prime Minister have exemplified in these policies. What a failure to relate to humanity at its basic level. At the forefront, it is dollars, economics and tugging the forelock to international trade, but when it comes to human values they are being put on the shelf. Just 12 months ago, Ben Oquist from my office told me about the cabinet decision, having asked the Tampa to pick up those 400 refugees, to turn away the Tampa. We immediately held a press conference and appealed for a more humanitarian outlook, for the people to be received, taken ashore and properly processed, and for the cheats to be sent home and the genuine refugees to stay here. This remains our policy. It would have saved Australians at least $1 billion, but it would have, more than that, saved this nation its reputation, which is being dragged through the mud. (Time expired)

Senator FERGUSON (South Australia) (4.42 p.m.)—I must say that I am not surprised to see this urgency motion moved by Senator Andrew Bartlett today, because we
are all well aware that the Australian Democrats would do anything to move some of the attention away from them and onto other issues. Certainly, Senator Andrew Bartlett would be the first one to do that. I am also not surprised, of course, to hear Senator Brown speak in the way he has, because the one thing you can say about Senator Brown is at least he is true to form. He never lets you down. He always sticks with the same line, which is supported by probably three or four per cent of Australians. Senator Brown, if you were to come in and say anything else, we would be disappointed.

I have looked very closely at the urgency motion that has been put forward by Senator Bartlett. He is trying to highlight the fact that it is 12 months since the issue of the *Tampa* became one of public notice and one that was reported in the newspapers. Senator Bartlett is using the 12-month anniversary since that happened to try to highlight some issues which are important to him, but the vast majority of Australian people actually overwhelmingly support what the government did 12 months ago today. It seems as though that fact is lost on Senator Brown and on Senator Bartlett and on at least some of the members of his party. They have lost the fact that this was done with the overwhelming support of the Australian people. If you go and look at all of the polling that was done in relation to this particular issue, and it continued in the following months, you will see that there was and still is overwhelming support for the Australian government’s policy in relation to asylum seekers, to turning away the vessel and the way that we have handled those people who sought to come to Australia illegally.

I do notice that in paragraph (d) of the matter of urgency Senator Bartlett talks about the ‘stresses on our relationships with PNG, Nauru and our other Pacific neighbours and a major distortion to Australia’s aid program’. Where he pulled those facts out of the air from I simply do not know because, in fact, the Australian government is very grateful for the cooperation of the Papua New Guinea and Nauru governments in the establishment of asylum seeker processing centres on Nauru and on Manus Island.

The new Prime Minister of Papua New Guinea, Sir Michael Somare, is on record as saying that the presence of the processing facility on Manus Island has not created any difficulties amongst the people on the island and in Papua New Guinea as a whole. So where are the stresses on these relationships that Senator Bartlett wants to include in his urgency motion? There is absolutely no basis for him suggesting it, no basis for it being part of his motion, because it is not backed up by facts.

The Pacific Islands in general share strongly our concerns about people-smuggling. Let us not forget what the issue really is about. The issue is about people-smuggling and how we as a country can best handle the very difficult situation of people fleeing their own countries, trying to circumvent the normal refugee and immigration processes in order to get to Australia. The Pacific Islands have been immensely cooperative on these issues. Transnational crime issues, including people-smuggling, have been a regular item on the agendas at meetings of the Pacific Islands Forum. So for Senator Bartlett to say that it is putting ‘stresses on our relationships’, I think, is a major distortion of the facts, and he should recognise this.

The level of concern over this issue in the region is also reflected in the number of Pacific countries which attended the Bali conference in late February. Nauru, Palau, Samoa, the Solomon Islands, Kiribati, Fiji and Vanuatu all attended the Bali conference because of the concern that was raised about people-smuggling and transnational crime issues. Australia very much welcomes the excellent cooperation and support that we have received from the governments of Nauru and Papua New Guinea in developing offshore processing arrangements for asylum seekers; both Papua New Guinea and Nauru have received significant benefits from assisting Australia. The establishment of processing centres in those countries has resulted in substantial infrastructure development and an increased flow of technical assistance to those developing countries which can only help them as they seek to further their lot in their area.
Senator Bartlett talks about a major distortion to Australia’s aid program. It is not based on fact at all but it is another emotive little issue that he just wanted to throw into his matter of urgency. The focus of Australia’s aid program has not been altered by offshore processing of asylum seekers. Our aid continues to be a partnership with the countries in the region to help them achieve better standards of living for their own people, and that should be the major criterion. When he talks about the need for the government to do a range of things for people who are detained on Manus Island and Nauru who are determined to be refugees, we need to remember that those people on Manus Island and Nauru are not held in detention under the Australian Migration Act—it is an important thing that we need to remember—but they are being subject to the laws of the countries in which they are being processed. It has nothing to do with the Australian Migration Act. The asylum seekers and refugees accommodated on Manus Island and Nauru were admitted to those countries on restricted visa conditions. They are required to remain in those centres pending processing or to return to their country of origin for resettlement.

Australia has already indicated that it will take its share of refugees from Nauru and Papua New Guinea. The government has already indicated that. Of the 581 persons who so far have been found to be refugees, 136 are already in Australia and hold temporary humanitarian visas. Eighteen of them arrived between late April and early July, 42 arrived on 30 July and a further 76 arrived during August. So the Australian government is taking its fair share of refugees from Nauru and Papua New Guinea. Senator Bartlett says in his motion that all of those who are determined to be refugees should be released into the Australian community. He is simply suggesting to us that we should be taking more than our fair share of the burden of refugees that there are throughout the world. It has been well noted and well documented that, in fact, per head of population we do take our fair share of refugees. On a personal note, I wish that more places would be made available for refugees who are not trying to enter this country illegally but who are living in squalid conditions in Africa and in Pakistan and in many other places around the world. I do not see why those who can afford to pay vast sums of money to people-smugglers, to criminals, in order to get to Australian shores should have an advantage over those who are without money and living in squalid conditions in Africa and in other parts of the world. (Time expired)

Senator BOLKUS (South Australia) (4.50 p.m.)—I rise to support this urgency motion moved by Senator Bartlett in relation to the MV Tampa. The events of a year ago were some of the sorriest in Australian history, and I think that as time goes by historians will document them in that way. Senator Ferguson started off by saying that it was appropriate for Senator Bartlett to raise this motion today because it was a means of taking attention away from the problems of the Democrats, but what this issue did a year ago was exactly that. This was an issue that was fomented by the government in order to take the people’s attention away from them and the way that they were conducting affairs in this country.

One year ago a number of boats arrived in Australia, and we turned them away. Not since the 1930s when we turned away a large number of Maltese who came here by boat, not since the early 1940s when we turned away a number of Jewish people fleeing from the first days of Hitler had we turned away boats in this country. Let us get this in historical context: not since those days did we turn boats away. We wound back the clock. In this instance, the people were fleeing from Saddam Hussein and from the Taliban, and we turned them back. We did not have any room for them here; we would not let them engage our system. We did that and, in doing so, we put people’s lives in jeopardy and lives were lost. We truncated Australia’s reputation. One year later, the problem is still there; the problem still exists. Of the 294 Afghans who were sent to Nauru, 233 are still there.

I will get back to the big leak in Operation Relex and the big leak in the Pacific solution in just a few minutes, because some time soon this is all going to come a cropper. Unfortunately policy debaters in this country
have not focused on that as yet. In the meantime, the taxpayer pays: $1 billion. As a former immigration minister, I know the importance of keeping the system under control; I know the importance of protecting borders. But I also know that there are ways of doing things. A $1 billion payment to accommodate what was a relatively minor problem at the time is not the way to go. The public do not just pay by direct outlays, they also pay indirectly, through government policies. This is the ironic aspect of this. That socioeconomic group that John Howard went out to whistle Dixie to this time last year, whose votes he wanted, are the ones who are now paying. They are the ones who are not getting the services they expected. They are the ones who are not getting the social benefits. They are the ones whom Senator Vanstone is ripping payments back from. It is ironic that they are the ones who are paying.

This country is also paying in the way that our reputation has been truncated. If people do not believe that, there was more evidence of it in the newspaper this morning. In one of the comment pieces, Alison Broinowski documented very well the way Australia’s reputation has gone low only two years after the Sydney Olympics had our reputation riding high around the world as a successful multicultural society: tolerant, accommodating of diversity, and celebrating our multiculturalism. *Tampa* undid all this. But let us not be misguided. This country has always had a policy of determining who is allowed into this country. We have always had the state-of-the-art technology to ensure that we could vet those with security risks. A year ago we were told by the Prime Minister that that may not be the case. We were being warned that people who had bombed the World Trade Centre may have had links to boat people coming into Australia. One year later we discovered that was a fiction as well, as was the fiction that John Howard tried to perpetrate that he was the only person who had been concerned about it.

**Senator Ferguson**—Mr Acting Deputy President, I rise on a point of order: I thought that it may have been a slip of the tongue by Senator Bolkus earlier, but he should call the Prime Minister by his proper name.

**The ACTING DEPUTY PRESIDENT (Senator Watson)**—Address the Prime Minister by his correct title, please.

**Senator Bolkus**—The Prime Minister—your Prime Minister—not one that I am proud of, not one that most of the public is proud of, but your Prime Minister, Senator Ferguson; the one who writes your speaker’s notes, the one who prods you when you do not stand up for him, the one who gets really angry, the one who is so paranoid that he has closed off the area in front of his office. That has never happened before. People who come through the normal entrance in the ministerial wing now cannot go by the Prime Minister’s office. Why? Because he has a touch of the vanities, that is why.

We used to have the security checks and the criminal checks, but we were told a year ago that we had to be warned that there might be criminals coming in on these boats. Two weeks ago before another parliamentary committee the Federal Police Commissioner made it clear that that was not the case. We have also had an independent refugee assessment system, which had been working quite well, and can continue to work well if this government takes its hands off it. We also had an advance warning system. As the minister for immigration I was quite well aware of that and invested enormously in making sure that it worked. We also worked cooperatively within the region with the UNHCR to ensure that there was burden sharing when it came to issues like this.

What happened here was a failure of policy. This government knew a year beforehand that these boats were coming. Minister Ruddock made it clear that he expected some 40,000 people to arrive. Did he do what Senator Ray did when he was minister; what Mr Hand did when he was minister; what I did when I was minister: go off at that first call, that advance notice, and set up a regional arrangement to ensure that Australia did not cop all the burden? No, he did not. He sat on his hands for a year, and now the taxpayer is still paying for it.
I mentioned earlier that the Pacific solution is not working. One reason it is not working is that offshore in Nauru, for instance, of the 295 people from Afghanistan who went there to be processed, 233 have failed the test and are still there. They have failed the test. If the Taliban government were in control in Afghanistan most of them would probably have passed the test. But what happens to these 233 people now? Senator Ferguson says, ‘It’s none of our business. We’ve got nothing to do with it.’ But, Senator Ferguson, look at the agreement between Nauru and Australia. It is littered with comments like, ‘Australia will arrange for the day-to-day management of the asylum seekers’ facilities. Australia will arrange for day-to-day administration of facilities. Australia will ensure no people are left on the island. Australia will return both sites to the original,’ and so on. What we have here is an agency arrangement. Can I tell you why that is important? As I say, policy makers have not caught up with this point yet, but I am sure they will very soon. Just two weeks ago in the Federal Court of Australia a Palestinian person was released because it was found by the court that the government could not return that person to Palestine—they were not allowed in. What we have here with these 233 people is a situation where the governments of Iraq or Afghanistan will not take them back, particularly the Iraqis.

Let us concentrate on the Iraqis. They cannot be sent back. Under the law that operates in Australia governing Australian officials, wherever they operate, it will not be all that long down the track that these 233 people will have to be released. Under the arrangement with Nauru, they will not be released to stay in Nauru. In the absence of any place to send them to—and I know the minister has been running around the world trying to find Middle Eastern countries particularly to take these people back, but not just them—those people will be released in Australia. One billion bucks later, and that is what is on the horizon. At the same time as that the government says, ‘This is not affecting Australia’s reputation.’

This week or next in Sweden there is to be a conference organised by the International Office of Migration, the office so critically involved in the operations in Nauru and PNG. What is that conference all about? It is all about giving the captains of ships like the Tampa more authority to override the sort of resistance that they got from governments like the Australian government one year ago. The way the Australian government acted in respect of that ship presented enormous problems for those who captain ships across the world. That conference is designed to see if that problem can be overcome.

We get Senator Ferguson in here talking about this issue and claiming that all is kosher in the system. We do not get the Prime Minister talking about it; we do not get the Prime Minister prepared to front the cameras and talk about it. He wants to talk about other things that happened a year ago, but he does not want to talk about his government’s role in this issue. Is he ashamed of it? Is that why he will not talk about it now? Has he been identified as being the dog whistler that a lot of people in this country always thought he was, pitching the tunes of racism and xenophobia in order to attract votes to one part of the constituency?

Senator Ferguson—Only you do that!

Senator BOLKUS—Not only me, Senator Ferguson; thinking people in this country know that. Those who got sucked in by him are starting more and more to appreciate not only that he treated them like mugs but also that the money has gone out of their pockets—the services are not going as promised. He treated them like mugs because they were tuned into another song. They are waking up to the fact that that is what happened and, progressively and increasingly, they are starting to ask questions like, ‘Why is $1 billion going to try to accommodate these 200 or 300 people and why is that money not going into infrastructure services—into dental services for pensioners and so on?’

Senator Ferguson interjecting—

Senator BOLKUS—You do not like it, but you were part of it. (Time expired)

Senator Kemp—Madam Acting Deputy President, I rise on a point of order. Senator Bolkus referred to the Prime Minister as having racist policies. I do not believe that is
in order; I believe that is an unparsley reflection on the Prime Minister which happens to be untrue and should be withdrawn.

Senator Bolkus—On the point of order, Madam Acting Deputy President: I did not accuse the Prime Minister of being racist—not this time. I have on other occasions, but not this time. What I did this time was accuse him of pitching his messages to invoke racism and xenophobia in the community—to exploit those fault lines that may have existed there and to do so for his and his government’s political advantage. That is not out of order.

The ACTING DEPUTY PRESIDENT (Senator Collins)—Senator Kemp, there is no point of order.

Senator SANDY MACDONALD (New South Wales) (5.01 p.m.)—Senator Bartlett chooses this matter of urgency for two reasons. Firstly, of course, he wants to enhance his credentials to lead the Democrats, however bizarre that may appear to most of us in the Senate. Secondly, he wants to undermine our immigration policy in the broad and its essential core values—for what purpose one can only speculate. The first of the core values he seeks to undermine is that Australia has a non-discriminatory immigration policy under which anyone can seek to migrate here for economic, family or humanitarian reasons, regardless of ethnic origin, gender, colour or religion.

Secondly, immigration is about nation building and must always be in Australia’s national interests. A third core value is that our immigration policies must enable Australians with non-Australian partners or dependent children to be reunited in Australia as permanent residents and, in time, as Australian citizens. Fourthly—and importantly for this motion—Australia must contribute its fair share to the resettlement of those people who are most in need of humanitarian assistance. In resettling refugees the Australian government devotes very considerable resources to ensuring that these people have the support they need to become fully integrated members of our community as time goes by—and of course we have a very successful multicultural society. Last, and by no means least, we must have the capacity to manage the movement of people across our borders in an orderly and efficient manner. Without this crucial element the idea of a managed immigration policy rapidly becomes meaningless, like so much else that the Democrats espouse these days.

I have been handed a transcript of a doorstop interview with Senator Bolkus in Adelaide in 1994 when Senator Bolkus was, I understand, the Minister for Immigration and Ethnic Affairs. It concerns an announcement that the then government had made regarding border protection. I will read this transcript into Hansard, because it makes very interesting reading in the context of Senator Bolkus’s comments just a few moments ago. He said:

The message of today’s announcement is a clear one. The objective of today’s announcement is to basically stop boat arrivals coming into Australia, and we expect that the announcement of the measures in the package today will have a substantial effect on the number of boats coming here.

The fact is that we want to send a very clear message to anyone who is intending to come to Australia illegally by boat with no valid claim that the doors are closed.

They are not wanted here unless they have got a valid claim.

Essentially you are not wanted here if you haven’t got a valid claim. Don’t even bother trying.

That was Senator Bolkus as immigration minister in 1994. It is interesting that he should be singing to such a different tune today.

The government have put in place a number of measures which have been effective in strengthening the integrity of Australia’s migration and humanitarian program. This range of measures has allowed Australia to continue to provide protection to those people who are at risk, while at the same time disrupting the operations of people smugglers. Some senators seem to have forgotten that the government’s action in relation to the asylum seekers on the Tampa was firmly based on our desire to ensure that the asylum-seeker system protected those most in need and was not abused by those seeking migration outcomes. You will recall, Madam Acting Deputy President, that when the
The Tampa incident occurred exactly a year ago and it was supported by the ALP because it was becoming increasingly clear that people were paying criminal gangs to access Australia and gain a migration outcome to which they were not entitled ahead of those with a much greater need.

Australia has been a mecca for people coming to our shores to start a new life and, as Senator Ferguson pointed out, as a nation we can be very proud of the fact that we have an unarguably unrivalled reputation and record of assisting people in great humanitarian need. Australia is an active participant in global refugee settlement and that contribution goes back to the 1930s. Since World War II, Australia has taken over 600,000 refugees and humanitarian settlers—about 10 per cent of our total migrant numbers. The majority have been resettled through Australia’s offshore humanitarian resettlement program. (Time expired)

Senator BARTLETT (Queensland) (5.06 p.m.)—I thank senators for their contribution. It is an important issue; it is one that affects many thousands of people in our community and in our region. Senator Brandis, at the start of the debate, stated that this policy of the government’s has worked, that it has been a success. I guess it all depends on how you define ‘success’. Yes, he is right in that there have not been any boats with asylum seekers arriving in Australia this year. There are, of course, many thousands of refugees. In Indonesia, there are people—some of whom I visited just recently—who have been assessed as refugees, as well as other asylum seekers who are stuck there, in particular the Iraqis. They cannot go forward; they cannot go back. They are simply in limbo.

This policy might have worked for the government. I am sure it has been a success: John Howard is back in the Prime Minister’s seat; the Liberals are back in government. If that is their definition of success, then it has worked. But from the Democrat point of view, a policy can hardly be described as successful if it has cost an unnecessary extra billion dollars that could have been used for environmental repair, for assisting industries that the coalition like to go on so much about, for helping rural communities and for helping our schools, our health system and our education system. That is $1 billion which could have been used for social good that has been used for social destruction—hardly a successful policy. It is hardly a success for those many hundreds of children who have been detained indefinitely throughout that period of time and who continue to be detained. It is hardly a success for those people who are refugees—who have been assessed and acknowledged as refugees by either the UNHCR or our own departmental officials—to still be on Pacific islands in detention while the government tries desperately to find any country in the world but Australia to take them. It insists on keeping the refugees there because it knows that, as soon as it starts taking numbers of refugees, the pressure on other countries will subside.

It is an urgent matter. One year on from the Tampa incident, you would think that things could not possibly get worse. But one thing the Prime Minister continually astonishes people with is that, every time you think he has gone as low as he could possibly go, he finds a way to go even lower. He has done it on this, and he is continuing to do it. The policy is ongoing; the human, financial and social impacts are ongoing. It is an important matter that needs urgent action. It needs to be turned around as soon as possible, because the ongoing cost to the Australian community in dollars and in social damage will be immeasurable. The longer it goes on, the more damage will occur and the longer it will take to repair. (Time expired)

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

The Senate divided. [5.14 p.m.]
(The President—Senator the Hon. Paul Calvert)

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Majority: 3

AYES

Allison, L.F. Bartlett, A.J.J. Bishop, T.M. Bolkus, N.
GOVERNMENT AGENCY CONTRACTS

Return to Order

The ACTING DEPUTY PRESIDENT (Senator Collins) (5.18 p.m.)—I present correspondence from the Australian National Audit Office relating to a resolution of the Senate of 20 June 2001, as amended.

BUDGET

Consideration by Legislation Committees

Additional Information

Senator McGAURAN (Victoria) (5.19 p.m.)—On behalf of the Chair of the Employment, Workplace Relations and Education Legislation Committee, Senator Tierney, I present additional information received by the committee relating to hearings on the additional estimates for 1998-99, 2000-01 and 2001-02; supplementary hearings on the budget estimates for 2000-01; and budget estimates for 2002-03.

Consideration by Legislation Committees

Additional Information

Senator McGAURAN (Victoria) (5.19 p.m.)—On behalf of the Chair of the Legal and Constitutional Legislation Committee, Senator Payne, I present additional information received by the committee relating to hearings on the budget estimates for 2002-03.

Consideration by Legislation Committees

Additional Information

Senator McGAURAN (Victoria) (5.19 p.m.)—On behalf of the Chair of the Rural and Regional Affairs and Transport Legislation Committee, Senator Heffernan, I present additional information received by the committee relating to hearings on the budget estimates for 2002-03.

COMMITTEES

National Capital and External Territories Committee

Report

Senator McGAURAN (Victoria) (5.19 p.m.)—On behalf of Senator Lightfoot, I present the report of the Joint Standing Committee on the National Capital and External Territories entitled Norfolk Island electoral matters, together with the Hansard record of...
proceedings and submissions received by the committee.

Ordered that the report be printed.

Senator McGAURAN—I seek leave to move a motion in relation to the report and to incorporate my tabling statement in Hansard.

Leave granted.

Senator McGAURAN—I move:
That the Senate take note of the report.

The statement read as follows—

In 1999, the Government sought to amend the Norfolk Island Act 1979 to ensure that only Australians could vote in or stand for election in the Norfolk Island Assembly elections. The Senate rejected the bill, seeking greater consultation with the people of Norfolk Island on the matter. It was referred to the External Territories Committee in March 2000.

Current electoral arrangements on Norfolk Island raise serious concerns. The franchise for Assembly elections is based on residence on Norfolk Island rather than Australian citizenship. There are also requirements for eligibility to vote that are 30 times the period that applies in other parts of Australia—a residential period of 990 days or two and half years residence in the previous four years; whereas the usual period in Australian states and territories is one month, or six months in Tasmania. The result is that some Australian citizens are prevented from voting in Norfolk Island elections and non-Australian citizens are entitled to vote and to stand for election. The Committee concluded that this was unacceptable.

Under the proposed provisions in the rejected 1999 bill, only Australian citizens would have been eligible to enrol and stand for election to the Norfolk Island Legislative Assembly. An ‘ordinary resident’ qualifying period of six months for enrolment was proposed, and the enrolment rights of those currently on the electoral roll would have been preserved. Since Australian law does not require a person to renounce any other citizenship, dual citizenship, combined with the ‘grandfather clause’, would have provided security of voting rights and existing citizenship for all those currently entitled to vote.

The Norfolk Island Assembly, which gave evidence to the Committee argued the special nature of Norfolk Island’s traditions and culture, as well as the concern felt by some Islanders that these may be threatened by allowing relative newcomers a voice in island affairs.

The Committee was not persuaded that there was either a proven risk or a need for special protection, particularly when such protection, entrenched in electoral law, served to deny a basic human right to a group of citizens. Moreover, the Committee argued that, because the role of the Norfolk Island Assembly extended well beyond simple, local issues, it was vital to Australia’s national interest that Ministers and other Legislative Assembly members were Australian citizens.

The Committee also noted that Australian citizenship is now a requirement, or is being considered as a requirement, for enrolment and election at local government level on the mainland.

The Norfolk Island Government also objected to what it saw as the Commonwealth legislating on matters which were the province of the Norfolk Island Assembly.

The Committee recognised the right of the Norfolk Island Assembly to legislate in this area and it believed that it was preferable that it do so. However, the Committee was aware that a succession of Norfolk Island governments had rejected electoral changes proposed by the Commonwealth. Consequently, it was clear that the likelihood that a Norfolk Island government would act unilaterally to implement changes, which the Committee considered to be fundamental to a strong democracy, was remote.

The Commonwealth made it clear during the inquiry that self government for Norfolk Island continued to be desirable; however, it did not believe, and the Committee concurred, that the changes to the Act affecting the electoral system in any way diminished the Island’s self government. The Committee also believed that the Commonwealth had a responsibility to ensure that the Norfolk Island Government met its existing fiscal and social obligations to the community. Moreover, the Committee recognised that the Commonwealth has, and will continue to have, the legitimate right to intervene if it believes that an issue of national and international importance is at stake.

The Committee hoped that there would be increased cooperation between the Commonwealth and Norfolk Island governments and would be disappointed if Norfolk Islanders should ever be required or feel obliged to choose between increased independence and the benefits of citizenship.

The Committee concluded that a requirement for Australian citizenship in order to vote or stand for election to the Legislative Assembly was inappropriate. It was satisfied that adequate safeguards could be provided for non-citizens who were already enrolled and noted both the relative ease with which a New Zealand citizen might acquire Australian citizenship and the opportunity that
Two referenda were held on this matter on Norfolk Island, both strongly supported the Norfolk Island Government’s position of no change. However, the Committee was not satisfied that the conduct of the referenda was accompanied by clear, comprehensive information. There was also concern about perceived levels of intimidation on the island of people who disagreed with majority views. Therefore, it was the view of the Committee that popular referenda were not appropriate mechanisms for determining such questions. The right to vote is a fundamental right, not a matter of popular opinion. This is particularly important where those without the vote are excluded from the referendum to give them the right to vote. Popular opinion often opposes the rights of minorities, the very groups which human rights seek to protect.

The Committee made three recommendations to the Government. First, that the Norfolk Island Act be amended to make, with appropriate safeguards for those on the electoral role, Australian Citizenship a prerequisite for both suffrage and the right to stand for election. Second, that referenda and elections on Norfolk Island come under the supervision of the Australian Electoral Commission. And third, that the eligibility period for voting be reduced to six months.

I commend the report to the Senate.

Treaties Committee

Report

Senator KIRK (South Australia) (5.20 p.m.)—On behalf of the Joint Standing Committee on Treaties, I present the 47th report, Treaties tabled on 18 and 25 June 2002, together with the minutes of proceedings. I seek leave to incorporate a tabling statement in Hansard, and I advise the Senate that this is not to be taken as my first speech.

Leave granted.

The statement read as follows—

The report contains the results of an inquiry conducted by the Joint Standing Committee on Treaties into nine treaty actions tabled in the Parliament on 18 and 25 June 2002.

Specifically, the report deals with:

- Two air service agreements, one with the Cook Islands and one with the Republic of Chile.

The air services agreements will facilitate the development of commercial opportunities between Australia and these countries.

- An Agreement with the Government of the United States of America for the enforcement of maintenance (support) obligations.

The maintenance agreement will make the enforcement of administrative assessments and court orders for payment of child and spousal support more certain for some Australian claimants.


The declarations give effect to Australia’s preference for negotiating its maritime boundaries with its neighbours rather than settling them by appealing to a third party for arbitration. In its deliberations the Committee accepted evidence that compulsory third party arbitration can result in decisions that are unsatisfactory to all parties.

The Committee received submissions from the public expressing concern that the declarations were made in order to limit East Timor’s options in upcoming maritime delimitation negotiations. However, it noted that East Timor’s stated preference is to settle boundaries through negotiation, and that the declarations do not target East Timor. Australia has outstanding maritime boundaries to negotiate with New Zealand, France and Norway.

- The International Convention for the Suppression of the Financing of Terrorism.

The Convention advances the ability to police the international financing of terrorist acts and makes clearer the obligations of cash dealers to ensure that suspicious transactions are reported to the Government.

- An Amendment to the Convention on Prohibitions or Restrictions on the use of certain Conventional Weapons which may be deemed to be Excessively Injurious or to have Indiscriminate Effects.

The amendment to the Convention obligates Australia to refrain from the use of devices that create non-detectable fragments, incendiary devices and blinding laser weapons in non-international as well as international military engagements. The proposed ratification of the amendment exhibits Australia’s continued commitment and preparedness to developing institutions that protect civilians and combatants from unnecessary suffering.
• An Agreement to promote compliance with international conservation and management measures by fishing vessels on the high seas.
The compliance agreement will have a beneficial influence on the conservation and management of fish stocks on the high seas and migratory and straddling stocks fished for in the Australian Fishing Zone.
• An Agreement establishing the International Organisation of Vine and Wine.
The Agreement updates the current International Wine and Vine Office to acknowledge the increased involvement in the industry and trade of non-European wine producing countries such as Australia.

Two further treaty actions were tabled on 25 June 2002:
• an Exchange of Notes constituting an Agreement between the Government of Australia and the Government of the Democratic Republic of East Timor concerning arrangements for exploration and exploitation of petroleum in an area of the Timor Sea; and
• the Timor Sea Treaty

The Committee has informed the Government that it will inquire into these treaty actions at greater length because of the amount of public interest they have generated.

Mr President, with respect to Report 47: Treaties tabled on 18 and 25 June, it is the view of the Committee that it is in the interest of Australia for the treaties it considered to be ratified, and it has made its recommendations accordingly.

Before I conclude, I welcome the Government’s announcement on 20 August of an extension of the period of time available to the Committee for consideration of certain treaty actions from 15 to 20 sitting days. I envisage that most treaties will continue to be dealt with within the current requirement that the Committee report within 15 sitting days of the tabling of the treaty in the Parliament. The Government has however acknowledged that some of the more complex and significant, perhaps controversial, treaties will require a greater period of time for the Committee’s deliberations and for public debate. Accordingly, consideration of these treaties will be afforded an extension from 15 to 20 sitting days. This will build upon the Government’s commitment to the democratisation of the treaty-making process of which the Treaties Committee is an integral part. I commend Report 47 to the Senate.
That this bill be now read a second time.

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

Leave granted.

*The speech read as follows—*

This bill makes a number of amendments to the *Veterans' Entitlements Act 1986* to address minor anomalies, make consequential amendments and clarify policy. These changes are designed to further improve the operation of the repatriation system.

The bill will make amendments to the operation of the compensation recovery provisions. Firstly, to remove an anomaly so that civilian compensation payments that are offset against disability pension are not also counted as income for the purposes of the income test; and secondly, to correctly reflect arrangements for the direct recovery of debts from compensation payers and insurers in respect of the partner of a person who received lump sum compensation.

The bill will also clarify policy in relation to telephone allowance to make it clear that eligible persons with a mobile telephone service, and no traditional fixed line telephone service, may receive telephone allowance.

The bill will also amend provisions of the VEA relating to rent assistance. These amendments will align the eligibility provisions for rent assistance for veteran pensioners who receive a base rate Family Tax Benefit with those of the Social Security Act 1991. The amendments will ensure that rent assistance is available under the VEA to eligible persons receiving Family Tax Benefit with no rent component. Other amendments will address the issue of retirement village entry contribution payments and access to rent assistance and will align the VEA with the Social Security Act 1991.

Furthermore, the bill will extend the eligibility criteria for the Pension Loans Scheme which provides income support to eligible persons in the form of a loan. The changes will extend the eligibility criteria to include certain persons who are not a veteran or the partner of a veteran and will enable eligible income support supplement recipients to be eligible for the Scheme from 'qualifying age' rather than 'pension age'. 'Qualifying age' is five years earlier than 'pension age' and is the age at which war widows and war widowers may be eligible for income support supplement and a number of other related benefits under the VEA.

Similarly, amendments to the eligibility criteria for the Commonwealth Seniors Health Card will enable war widows and war widowers to be eligible for the Commonwealth Seniors Health Card from 'qualifying age' rather than 'pension age'.

The bill also contains other minor technical amendments to clarify provisions in the VEA.

This bill continues the Government’s ongoing commitment to improving the repatriation system to benefit and provide equitable assistance to our veteran community, to whom we owe so much.

Debate (on motion by **Senator Ludwig**) adjourned.

**BILLS RETURNED FROM THE HOUSE OF REPRESENTATIVES**

Message received from the House of Representatives returning the following bill without amendment:

Health Insurance Commission Amendment Bill 2002

**COMMONWEALTH ELECTORAL AMENDMENT BILL (No. 1) 2002**

Second Reading

Debate resumed.

**Senator LUNDY** *(Australian Capital Territory)* *(5.24 p.m.)*—With great regret, I will leave the soap opera story of Caltabiano and Quinn. Hopefully, I will allow an opportunity for my colleagues to take that up later. The saga does continue, such is the absurdity of the organisation of the Liberal Party in this country. I move the second reading amendment circulated in my name:

Omit all words after “That”, substitute:

“the following matters be referred to the Joint Standing Committee on Electoral Matters for inquiry and report by Thursday, 24 October 2002:

(a) any amendments to the Commonwealth Electoral Amendment Bill (No. 1) 2002 circulated in the Senate chamber; and

(b) the Commonwealth Electoral Amendment Bill (No. 1) 2002”.

I move this amendment because there is a whole series of very important issues raised in the amendments proposed by Senator Brown and Senator Murray in relation to the Commonwealth Electoral Amendment Bill (No. 1) 2002, and moving this amendment will allow the Joint Standing Committee on Electoral Matters to consider them in some depth. Whilst there is nothing in this appalling bill that Labor find worthy of support,
there are some issues raised in the proposed amendments by the Democrats and the Greens that we believe are worthy of further inquiry, investigation and exploration.

I turn first to the Democrat amendment. They are proposing a very complex amendment to the act, to provide for a general right of access for political parties to national funding. They argue that, through different mechanisms, the funding of both the Labor Party and the Democrats is paid directly to the national or principal agent to the party, and the legislation proposes to make it accessible to the Liberal Party in its particular circumstances. The amendments go to the detail about how this bill applies in those circumstances. One thing that struck me was that it is a very lengthy amendment and it will significantly change the intent of the bill. That is why we see conducting this inquiry as essential if it is to be given due consideration.

One of the other issues that the Democrat amendment raises is a very big question of public policy, about the way in which parties choose to structure themselves. I spoke earlier about some of the absurdities that are occurring in the Liberal Party at the moment and held up in contrast an appropriate way for political parties to go about organising themselves and modernising themselves. I think Labor presents itself as a very diligent and exemplary organisation in seeking to manage its internal processes equitably, fairly, openly and with some dignity. In stark contrast, the Liberal Party are dragging themselves through the mud. This causes some hilarity in some quarters, but clearly the government is abusing its status as the elected government of this country in bringing this bill before the parliament. Nonetheless, the Democrat amendment is thoughtful. It is worthy of lengthy consideration, and I think it is incredibly important that the Australian Electoral Commission be asked their views and that their input be sought on this amendment—it’s impact, its merit, its implications and so forth. The most appropriate way to do that is to take it to the Joint Standing Committee on Electoral Matters. That will allow us the mechanism to seek that advice from the Australian Electoral Commission.

I turn now to the Green amendment. Senator Bob Brown proposes an amendment to the bill so that, where a corporation makes a political donation of over $1,000 and the corporation is wound up or made insolvent within three years of making that donation, an amount equal to the amount of that donation is payable by the political party to the liquidator and may be recovered by the liquidator as a debt due to the liquidator by action. I should note that this amendment is not proposed to be retrospective.

This is an issue facing democratically elected governments and political parties in democracies around the world, particularly in an era where corporate governance is at the forefront of political agendas. According to many reports, many US politicians have been given money from the likes of Enron. There have been other collapses of funds set up for former employees, creditors or charity. So the US is grappling with this issue as well. The Greens amendment raises very important issues of public policy that are both relevant and credible in the context of the current debate. The proposed amendment will significantly change the intent and purpose of the bill before us. As I said earlier, Labor cannot find any merit in the bill before us, but it can see some merit in exploring the amendments proposed by various members of the cross-bench in an inquiry of the Joint Standing Committee on Electoral Matters.

It is worth noting that, here in Australia, the situation described in the Greens amendment has occurred: it is well and truly on the record that HIH has reportedly given many hundreds of thousands of dollars to the Liberal Party. In 1999, when insolvency was already on the cards and that company was apparently facing losses, over $100,000 was donated to the Liberal Party and some money was also donated to the National Party. That is clearly an example. However, this is not something that is peculiar to the Liberal Party. Labor received some donations from companies: for example, froggy.com donated some money to the New South Wales Labor branch. The company is apparently facing losses of some $65 million and I know that the ALP’s WA branch has agreed to repay a $10,000 donation. So it is not something that
is peculiar to one political party or another. It is not even something that is peculiar to political parties here in Australia. It is being grappled with throughout the world.

This is a very important issue of public policy and it is a very important long-term issue. I would argue that its importance extends significantly beyond the vested interests and the self-interest demonstrated in the bill that the coalition has put forward. This is a very complex issue and worthy of a high degree of investigation. That would most appropriately be done under the auspices of an inquiry by the Joint Standing Committee on Electoral Matters. Most significantly, it would allow the Australian Electoral Commission, which has not been involved with these amendments, to provide some detail about the implications of these amendments for our democratic structures and the laws that they administer. The Joint Standing Committee on Electoral Matters is very much the appropriate body to get advice on this subject. It has always considered these matters. Amendments to the Commonwealth Electoral Act have always been referred to this committee because of the experience and depth of knowledge of the participants in this committee. The advice, insights and points of view of the witnesses that come forth would be most gratefully welcomed by the senators participating on the committee.

One thing that is being shown in this debate is that, when this chamber applies its collective cross-bench and opposition minds to a problem, there are opportunities for good to be done through amendments to bills. I think that it is a display of the shallowness of the coalition that they did not take the opportunity to move constructive amendments to the Electoral Act on important public policy matters such as the implications of corporate collapses or important definitions or the structure and method of organisation of political parties between federal, national and state bodies in the way that the Democrat amendment does. Labor is being very responsible in creating an opportunity for these amendments to be investigated in some depth. I commend to the chamber the amendment that I have moved. I urge fellow senators to support it and also to give maximum consideration to the merit and implications of the significant and complex amendments proposed by both the Greens and the Democrats.

Senator BROWN (Tasmania)  (5.35 p.m.)—I support the motion moved by Senator Lundy on behalf of the opposition to the Commonwealth Electoral Amendment Bill (No. 1) 2002. I think that these are extremely important matters. I certainly appreciated Senator Lundy’s contribution and her description of the amendment that I have foreshadowed on behalf of the Australian Greens. If the amendment were to be adopted by the parliament, it would effectively mean that if a corporation that goes broke has made a donation to a political party within the last three years that donation will go to the liquidator and would therefore go towards helping the shareholders, who of course are hurt very badly when they lose their money in this way. I have no objection to that amendment being scrutinised by a committee and I welcome any input it might have into that amendment.

I have not had time to have a very good look at the amendment being proposed in the Committee of the Whole by Senator Murray, but it does appear that that amendment is going to effectively expand the government’s intention in this legislation which not only would give the Liberal Party the right to ordain centrally that the states give public funding to the central body but would make that an option for all parties. That is effectively an amendment coming from the Democrats that is going to facilitate the government getting its way on this legislation, which it has been unable to do for some time. I think the Labor Party has argued cogently that the parliament ought not be intervening in the workings of a political party in this way and certainly, if the Liberals and the government parties are unable to get their branches to pay into a central fund through a general agreement, so be it. It ought not be for the parliament to be overriding the wishes of the branches in that case and saying, ‘You shall do so,’ but a mechanism for that has been found here.

The history of this mechanism is that it was first found for the Democrats some years
ago when Senator Kernot was leading the Democrats and there were difficulties with the Western Australian branch. At that time special legislation was put through that gave the Democrats the ability to effectively collect all the money for public funding from around the country and have it put into a central deposit. Now the government parties want that, and the move is here to allow all parties to do that if the central party wishes.

The Greens will continue to oppose this legislation. We think it has a very strong political imperative in it, with the idea that political parties should be centralised in their function. So be it if that is what the Liberal Party and the Democrats want, but to use this mechanism to get their way to override the branches is quite untoward and quite remarkable for the Liberal Party, which is so much a states rights party. So much for states rights when it comes to the Liberal and National’s own interests, which are very quickly overriding that states rights sentiment through this legislation and saying, ‘Bang! We will have the money brought into the national organisation, whatever the regions may think.’ The Greens are not going to be part of that.

However, it is notable that if all of the Democrats support this legislation it will go through. Senator Lundy, if all of the Democrats oppose your motion, it will go through without being scrutinised by a committee. Could it be less democratic than that? I hope that is not going to happen, but I fear it is. I think this matter should have some debate about it. To get amendments like this is, as Senator Lundy has said, extremely important. But to get them put through at the government’s behest, with the support of the Democrats, is strange politics to me. I do not think it is right.

I say to Senator Murray, who has proposed this quite complex amendment with far-reaching impacts, that I would have thought he of all people would want time for the public and party members to scrutinise this—for people to have a good look at it, for there to be input and then for the Senate to consider it. So I do hope you will be supporting Senator Lundy’s amendment. Senator Lundy is proposing a two-month stay while the matter is considered in a committee. I think that is fair enough. We have been dealing with this matter for some years now, and here is a new complex amendment with a very big impact and we ought to have time to look at it properly. I support the opposition amendment and appeal to Senator Murray and the Democrats to do likewise.

Senator LUDWIG (Queensland) (5.42 p.m.)—I rise to support the second reading amendment moved by Senator Lundy on behalf of the opposition to the Commonwealth Electoral Amendment Bill (No. 1) 2002. I do so for a number of reasons. If you look at the amendment moved by Senator Lundy, you will see it does two things. Firstly, it redresses a ‘policy-free zone’ that this bill originally created, which may partly explain why it was not subject to a committee in the first place to ensure that the bill was examined in full and dealt with appropriately and that parties had an opportunity to make submissions in respect of the bill. Secondly, it gives the Joint Standing Committee on Electoral Matters the ability to call in the Australian Electoral Commission to deal with some of the matters that are raised in the two complex amendments that have been circulated in the chamber.

It is comforting to hear from Senator Brown that he supports our motion. I was going to go to his motion at first, but to be kind to it generally—given that he now supports our motion for the matter to be referred for further inquiry and report by the Joint Standing Committee on Electoral Matters—there are difficulties raised as to whether or not it achieves its purpose. Proposed section 306A refers to repayment of donations where corporations are wound up. There are a number of points to go through. The amendment deals with an amount of $1,000. There is an issue as to whether that is the appropriate amount it should be put at. The amendment refers to three years as the period, when making donations, one can go back to. The third matter contained within that proposed section is the ability of the liquidator to be able to recover debts due by action in a court of competent jurisdiction. In themselves, those matters deserve far more scrutiny to ensure that, if that is the import of
the amendment, they can—although making no comment in respect of it—achieve their purpose. You have to ensure that the amendment to add a section 306A is the only amendment that is required to ensure that the Commonwealth Electoral Act permits section 306A and that there is no other law that might otherwise disallow or obstruct the purpose of that amendment.

The bankruptcy laws as administered by the Insolvency and Trustee Service Australia, ITSA, also have to be correctly understood and utilised to ensure that the purpose of the amendment can be achieved. The amendment can easily be examined and considered by the joint committee, which can then have the experts from the Australian Electoral Commission or ITSA, dealing with bankruptcy, examine the amendment to ensure that it achieves its purpose but without making any particular comment in respect of the amendment itself.

I enjoin Senator Murray to support our second reading amendment that the matter be referred to the Joint Standing Committee on Electoral Matters. Senator Murray’s quite complex amendments go to some 11 in all. One of the curiosities of the amendments relates to proposed section 287B, which provides for a designated federal party. It goes on, as I understand it, to explain that that party might be other than the Liberal Party. So there are some complex legal issues that arise when you are dealing with national entities, state entities and a third entity, which is usually divisions or parts of a national body. I am not so sure whether they are all encompassed within amendment (2) as proposed by Senator Murray.

The Senate would benefit from the AEC and perhaps the Attorney-General’s Department or the Government Solicitor’s office being able to give us a view about whether the amendment as proposed by Senator Murray would achieve its purpose, without going to whether we agree or disagree with the proposed amendment. If there is going to be a debate in the committee stage on these amendments, it would be helpful to ensure the Committee of the Whole does have the benefit of the views of the Australian Electoral Commission, ITSA, the Australian Government Solicitor’s office and the Attorney-General’s Department and their competent solicitors as to what those amendments actually do, whether they achieve their purpose, provide a clear path and do what they are supposed to do.

When you look at legislation and when amendments are made one should always guard against unintended consequences. Unintended consequences are usually brought out or highlighted by, as in this case, a joint committee or other committees. That is why legislation is often referred to committees—to not only examine the bill but also ensure that unintended consequences do not arise. Clearly, there can be problems if unintended consequences are discovered. It would be helpful if the joint parliamentary committee could examine Senator Murray’s complex amendments to ensure that that is not the case here. I undertook not to take too long in this debate, so I will not go on. There are matters that trouble me in relation to the Queensland Liberal Party, which I will not go into in detail—

Senator Abetz—You mean repeat.

Senator LUDWIG—I have to report to Senator Abetz that there are new issues in relation to Queensland. I only discovered this on the news service today. The relevant article was headed ‘Liberal leader makes second bid to win reform war’, but I do understand that Senator Lundy took the Senate through that. It is interesting to examine some of the quite unusual things that they are pushing forward, but one of the more serious aspects that highlight a problem we always face in dealing with this area is that there is a party convention coming up from 6 to 8 September and that, although there is a significant amount of movement, those sorts of matters should not be confused and brought up within this debate. I am sure the government will tell us that they are separate and distinct from that and that it has nothing to do with this ‘dash for cash’ bill.

I think the best course of action—and I am sure the government would agree—is to send the matter to the Joint Standing Committee on Electoral Matters, have an inquiry and report on those amendments by Thursday, 24 October 2002. That would take the matter...
well beyond that September conference, and I am sure we will know by then whether Mr Quinn has won or lost his reform agenda. We might even know by then whether Mr Santoro, as it is sometimes reported, will be in the Senate and perhaps he will be able to explain his role in those issues. We certainly look forward to that debate. To ensure that I do not take too much of the Senate’s time in relation to this, I think it is necessary to refer this bill to the joint committee, given the state of the bill, the type of bill and the type of amendments. That is one of the guiding principles Labor has always had when amendments such as these are proposed which are fundamentally different from the thrust of the bill itself. Let us face it: the thrust of the bill is a dash for cash or ‘Show me the money from your federal director,’ as I have now decided to call it, because I think it is more apt.

That is the import of the bill, but these amendments actually take away that idea and move the bill to something else. I am not too sure what that something else is, and that is why I think it is very important that the joint parliamentary committee examines the bill to ensure that we do understand it and, more importantly—and I think Senator Murray would agree with this—that people have an opportunity to understand what is being proposed here and have an opportunity to comment and understand the import of the amendments and what they intend to do. It is important that the state branches and especially the Queensland branch of the Liberal Party, as it has been reported, but also other branches and political parties that might be caught by these amendments understand the amendments and what they intend to do and have an opportunity to examine whether they will work, work effectively or not work at all or will require adjustment, amendment or removal in some respects. I would be disappointed if Senator Murray was not like-minded in ensuring that there was proper scrutiny of the legislation.

Senator HARRIS (Queensland) (5.52 p.m.)—I rise to speak on the proposed amendment by Senator Lundy to the second reading of the Commonwealth Electoral Amendment Bill (No. 1) 2002 and indicate to the chamber that One Nation will be opposing the amendment. The reason we oppose the amendment is that we believe it is each political party’s right within the process of their party to administer their affairs. If the Liberal Party choose to do theirs in such a way and have it enshrined in legislation, then that is the right of the Liberal Party. I do not believe that sending the issue off to the Joint Standing Committee on Electoral Matters is the correct way to proceed with this issue.

Having placed that on the record, I just take the opportunity to speak very briefly to Senator Murray’s amendments, which in actuality are even more far-reaching and have greater implications for all political parties—for the reason I have raised that each individual political party should and must have the right to actually manage their affairs as they see fit. The Labor Party themselves have a set process that has been determined by their party as to how they distribute and administer their electoral funding, and that is their right. I believe that the same opportunity should apply to the Liberal Party.

I agree with the basis of Senator Brown’s amendment. This may not be the appropriate time or the appropriate way to move it. This is one amendment for which I would support some sort of additional scrutiny before it is enshrined within the act.

For clarity, I indicate to the chamber that I will not be supporting Senator Lundy’s second reading amendment and will not be supporting the Democrat amendments because of their potential to impact right across the board on all political parties. I do not think it is even the prerogative of this place to do that. To administer through law the process of an election, I believe, is the function of the Commonwealth Electoral Act. These amendments go way beyond that, and I will not be supporting them.

Senator ABETZ (Tasmania—Special Minister of State) (5.56 p.m.)—I never thought we would get to this stage of coming to the final speech on the second reading of this bill. I thank honourable senators. I say that with tongue in cheek, but it is usual to thank honourable senators for their contributions to these debates. We are in fact debat-
ing the Commonwealth Electoral Amendment Bill (No. 1) 2002 and not all of the extraneous matters that senators opposite appear to have had great delight in raising. It was somewhat shameless of them to raise a whole host of issues, trying to exaggerate and fabricate matters that allegedly were occurring in the Liberal Party here and there, whilst turning a blind eye to the fact that they had their own party officials such as Karen Ehrmann end up in jail, the Sword-Feeney dispute within the Labor Party—indeed, as I understand it, now the Senator Ray-Senator Conroy fall-out et cetera.

We could trawl through all of that, but let us look at what this debate is all about. It is not that sort of bill. In fact, very simply, the bill is to allow for the public funding payable to the Liberal Party as a consequence of votes obtained at federal elections to be paid to the federal manifestation of the Liberal Party or as requested by that federal manifestation. When federal officers run federal campaigns it is appropriate for the federal office to get that funding. My colleague the Parliamentary Secretary to the Minister for Finance and Administration, in introducing this legislation in the other house, made that point and indicated that in fact since 1999 that is how the Liberal Party had been conducting its federal elections.

Put in another way, federal taxpayers’ money paid pursuant to federal legislation will be provided to the federal manifestation of the political party—in this case, the Liberal Party. Nothing could be simpler, nothing could be fairer, and why the Australian Labor Party needed 15 speakers in all during the second reading debate is beyond me when we have got such a very restricted bill before us. We did have a very tedious display of mock outrage by a gaggle of Labor speakers. Their filibustering through quite useless contributions has cost the taxpayers literally tens of thousands of dollars through wasted sitting time.

The Leader of the Opposition in the Senate started the debate and made his usual and expected shrill contribution. Full of his trademark hysteria, he generated some heat but, as always, no light. The honourable senator could not have believed his objections and his own conspiracy theories. Indeed, the other Labor senators—especially the newer ones who participated in this debate—will be devastated to find out that they threw themselves into this debate,lemmings-like, for no high principle at all. Let us remember that in 1995, when in government, Labor amended the Commonwealth Electoral Act in a similar manner at the request of the Australian Democrats. The then Senator Kernot thanked Senator Faulkner’s Labor government for their ‘assistance’ in getting the amendment ready. That must have been during the time that Senator Faulkner was starting to warm up the coffee plunger. It was not in active use at that stage, but undoubtedly that was part of the warming-up process of that now infamous coffee plunger. Senator Kernot said during the debate:

... I am grateful for the assistance that has been given by the minister’s office ...

At that time Senator Faulkner and Senator Cook, both of whom made contributions in this debate, were senior ministers in the Keating government, fully aware of their government’s policy in this matter. This was a specific provision for the Australian Democrats. We, as a principled opposition at the time, listened to the arguments put forward and voted with Labor and the Democrats. I understood it was carried on the voices. That was because we took a principled stance as an opposition. Now Labor are getting so used to opposition that they are opposing things for opposition’s sake. They are doing backflips from when they were in government. They say, ‘A specific provision for the Democrats is okay, but not for the Liberal Party’—then they try and claim it as a matter of high principle. It is like their arguments on privatisation. When in government, they privatised everything they can lay their hands on—then all of a sudden, when in opposition, they say, ‘There are matters of great principle here. Of course we can’t support privatisation.’ They are showing all the characteristics of a party ready for a very long stint in opposition.

It is interesting that opposition senators have suggested that the amendments ought to be referred to the Joint Standing Committee on Electoral Matters. In 1994 the ALP sub-
mitted to the Joint Committee on Electoral Matters that public funding for elections should be provided directly to federal or national offices of registered political parties. The ALP argued that such a reform:

... establishes the principle that funding provided by the national parliament for national elections should go direct to the national offices of parties. That was their view when they were in government; that is what they argued. Now they are in opposition, and all of a sudden the principles they espoused in government are thrown out the window for cheap political opportunism—embarrassing a lot of the newer senators who honestly believed that what Senator Faulkner was putting forward was a longstanding principle of the ALP. I think that Senator Faulkner did not brief his party room as to the Labor Party’s history in this matter, when they quite properly assisted the Australian Democrats when requested. I invite the new Labor senators to have a look at section 288A of the Commonwealth Electoral Act, and go up to Senator Faulkner and say, ‘How on earth did this get through the parliament? Did you vote for that, Senator Faulkner? Did you vote for that, Senator Cook?’ Of course, the answer will be, ‘Yes’. Then all they have to do is ask, ‘What is the difference on this occasion?’ The answer will have to be, ‘We are in opposition.’ That will be the policy free zone approach of the Australian Labor Party on this matter.

If the parliament regulates the operation of the registered organisation, it is appropriate for the government to listen to requests, as Labor did for the Democrats. As a principled opposition, we supported the move then and I invite Labor senators and other senators in this place to do it on this occasion. I understand that the Democrats have indicated their support for the government amendment, and I thank them for it. I note that they have proposed further amendments. The government see the merit in those amendments and we will be supporting them. It is a pity that Labor cannot drag itself into relevancy and make a positive contribution.

I note that, at the very last moment, the Labor Party have moved a second reading amendment as a delaying tactic to try and refer this off to the committee system. Let it be remembered that this bill has already been to a committee, as long ago as September 2001. This is such an important matter of public principle that the committee was overwhelmed, in fact inundated, with submissions. How many? Four in all: one from the Australian Labor Party and one from a member of this parliament. There were two submissions from the public. That is all the excitement it generated amongst our 19 million fellow Australians. Now the Labor Party are of the view that this matter should go to yet another committee because there is a matter of such great moment in these amendments. I pose the question: where were the Labor senators in 1995 when section 288A was put through? Was that rushed off to another special Joint Standing Committee on Electoral Matters inquiry? Of course it wasn’t. You know that what you as the Labor Party are going through is an absolute charade.

We also have an amendment from the Greens. It has been rushed, it is politically opportunistic, it is flawed and it is bad policy. We were told during the contribution that the Greens believed that donations from the corporate sector to political parties should go into an opaque trust and then be disbursed according to the vote at the election. It is a pity that the Greens did not do that with the $90,000 they got from the Commonwealth Bank and with the other donations they received. They did not hand that out. What they are saying is: ‘Don’t do as we do; just do as we say.’ It is quite duplicitous of them to make that suggestion. If, as they are suggesting, you have to repay the money if the corporation goes into liquidation within three years, then no political party could in fairness use that money for a period of three years, just in case the company did go into liquidation. You would have to quarantine it in your books, just in case. You cannot do...
business, I would have thought, on that basis. It would be interesting to know whether the Australian Greens conduct themselves in that way and quarantine their own donations.

Senator Brown—Mr Acting Deputy President, I rise on a point of order. I always like to have good information sourced. Would Senator Abetz source his information in relation to that Commonwealth Bank donation? I would like to know about it.

The ACTING DEPUTY PRESIDENT (Senator Watson)—There is no point of order.

Senator ABETZ—What Senator Brown is seeking to do with his amendment is to apply one rule for a political party and another rule for every voluntary organisation, and in fact it is quite bizarre. Indeed, if parties have to repay moneys when a company goes into liquidation within three years of the donation being made, you would have to ask the question: should the $1,947 spent by HIH on liquorice all-sorts also be required to be repaid by the manufacturers of liquorice all-sorts? Or, indeed, should the tobacconist be required to repay the $1,600 on cigars? In the list of HIH purchases, one that would have been a very handy item in relation to the Labor Party’s contribution to this debate was $75,000 worth of eau de toilette spray. Given the contribution by the Australian Labor Party, a good dose of some of that would have been of assistance.

If honourable senators bothered to read the Corporations Act and acquaint themselves with it, they would know that the act contains provisions that permit liquidators to apply to a court to reverse transactions made by a company leading up to its failure within certain time limits. That is available to liquidators. If the court finds that the transaction is reversible because of the company’s insolvency, the payment will be returned to the liquidators for distribution to creditors. The provisions prevent companies disposing of assets or transferring funds from the company leading up to its failure at the expense of unsecured creditors. In other words, the Corporations Act sets out the circumstances under which a company liquidator may apply to a court to set aside certain transactions. These rules, as they should, apply to all recipients.

The Greens, in a cheap political stunt, are saying: ‘If it is a political party, it is all going to be different.’ Does Senator Brown want Monash University, for example, to repay all the funds that HIH made available to it? No, that is not a part of these amendments. Indeed, if Senator Brown were genuinely concerned about this, the amendment he is proposing should be an amendment to the Corporations Act, not to the Commonwealth Electoral Act, because, quite frankly, I doubt that anybody trying to deal with their responsibilities in corporate law would turn to section 306, or whatever it is, of the Commonwealth Electoral Act to find out their duties and responsibilities. They would be, I suggest, in the framework of the Corporations Act.

Senator Harradine interjecting—

Senator ABETZ—Senator Harradine, you have made a very valid point in relation to that, and that is why I asked whether Senator Brown was anxious for the creditor to pursue the donation to Monash University by way of a special piece of legislation—which takes us down the path of why a political party should suffer more than the supplier of liquorice all-sorts, cigars, the Monash University or whoever. There has to be one rule that applies to all, and that is in the Corporations Law. I assume that Senator Brown simply is not aware of that provision in the Corporations Law.

As I said before, we have had a number of shrill contributions to this debate from the other side. Honourable senators have taken the opportunity to seek to discredit the Liberal Party by trawling through all sorts of things. Allow me to quote from the Labor Party submission of 1994 to the Joint Standing Committee on Electoral Matters because it is a very good summary of what this bill is simply about. The ALP argued in their submission when they were in government that such a reform:

... establishes the principle that funding provided by the national parliament for national elections should go direct to the national offices of parties.
And that is exactly what we are doing in 2002. Sure, since 1994 the Labor Party have gone into opposition. Since 1995, when they cooperated with the Australian Democrats to get specific proposals into the legislation for the Democrats, what has changed? Nothing—other than that they have been put into opposition. So for cheap political purposes, now in opposition, they are using the opportunity to oppose that which they argued for whilst they were in government. It is in fact this cheap opportunism by Labor in relation to a whole host of issues, including privatisation, that has led the Australian people to the conclusion that the ALP are not fit to govern because they have gone back on their principles whilst in opposition.

I commend the bill to the Senate. It is a simple bill. It was looked at by the relevant parliamentary committee as way back as September 2001—12 months ago. Now we have a rush of cheap amendments from Labor and the Greens to try to stall the process yet again. This has been in the public arena now for well over 12 months. The Australian people were aware of it and they got that excited by it that, out of our 19 million fellow Australians, two of our fellow Australians put in submissions to the inquiry—other than the Australian Labor Party and a member of the parliament. This is sound public policy, and I invite the Senate to support the bill.

Question put:
That the amendment (Senator Lundy’s) be agreed to.

The Senate divided. [6.21 p.m.]
(The President—Senator the Hon. Paul Calvert)

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

AYES

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

AYES

Kirk, L.  Lundy, K.A.  McLucas, J.E.  Murphy, S.M.  O’Brien, K.W.K.  Sherry, N.J.  Webber, R.

NOES


AYES


NOES


* denotes teller

Question negatived.

Original question put:
That this bill be now read a second time.

The Senate divided. [6.25 p.m.]
(The President—Senator the Hon. Paul Calvert)

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

AYES

Senator MURRAY (Western Australia) (7.30 p.m.)—by leave—I move Democrat amendments (1) to (10) on sheet 2526:

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

1AA Subsection 287(1)

Insert:

designed federal party has the meaning given by subsection 287B(1).

(2) Schedule 1, page 3 (after line 9), after item 1, insert:

1A At the end of Division 1 of Part XX

Add:

287B Designated federal party

(1) For the purposes of this Part, a designated federal party is a registered political party (other than the Liberal Party), where:

(a) there are 2 or more State branches of the party; and

(b) there is in force a choice under subsection (2) that the party be treated as a designated federal party for the purposes of this Part.

(2) The registered officer of a registered political party may, on behalf of the party, give the Electoral Commission a written notice stating that the party chooses to be treated as a designated federal party for the purposes of this Part.

(3) A choice under subsection (2) may be revoked at any time by the registered officer by written notice given to the Electoral Commission.

(4) Despite subsection (3), a choice under subsection (2) must not be revoked during the period:

(a) beginning at the start of the polling day for an election; and

(b) ending on the 14th day after the day on which the writ for that election is returned.

(3) Schedule 1, item 2, page 3 (after line 30), after paragraph (b), insert:

(ba) if:

(i) the party is a designated federal party or a State branch of a designated federal party; and

(ii) a notice for the election is in force under subsection (5H) in relation to the State branch of the designated federal party that is organised on the basis of the State or Territory in which the candidate or candidates stood for election;

pay the applicable federal percentage of the amount to the agent of the designated federal party and the applicable State percentage of the amount to the agent of the State branch of the designated federal party mentioned in subparagraph (ii); or
(bb) if:
(i) paragraph (ba) does not apply; and
(ii) the party is a designated federal party or a State branch of a designated federal party;
pay the amount to the agent of the designated federal party; or
(4) Schedule 1, item 3, page 4 (after line 23), after paragraph (aa), insert:
(aaa) if:
(i) the members of the group were endorsed by one registered political party and that party is a designated federal party or a State branch of a designated federal party; and
(ii) a notice for the election is in force under subsection (5H) in relation to the State branch of the designated federal party that is organised on the basis of the State or Territory in which the members of the group stood for election;
pay the applicable federal percentage of the amount to the agent of the designated federal party and the applicable State percentage of the amount to the agent of the State branch of the designated federal party mentioned in subparagraph (ii); or
(aab) if:
(i) paragraph (aaa) does not apply; and
(ii) the members of the group were endorsed by one registered political party and that party is a designated federal party or a State branch of a designated federal party;
pay the amount to the agent of the designated federal party; or
(5) Schedule 1, item 3, page 4 (line 24), omit “and (aa)” , substitute “, (aa), (aaa) and (aab)”.
(6) Schedule 1, item 3, page 5 (after line 37), after paragraph (ad), insert:
(ae) if the members of the group were endorsed by 2 registered political parties, only one of those parties is a designated federal party or a State branch of a designated federal party, and a notice for the election is in force under subsection (5H) in relation to the State branch of the designated federal party that is organised on the basis of the State or Territory in which the members of the group stood for election:
(i) divide the payment into such shares as are agreed upon between the agents of the State branches of those parties that are organised on the basis of the State or Territory in which the members of the group stood for election or, in the absence of agreement, into such shares as the Electoral Commission determines; and
(ii) in the case of the share applicable to a State branch of the designated federal party in accordance with that agreement or determination, as the case may be—pay the applicable federal percentage of the share to the agent of the designated federal party and the applicable State percentage of the share to the agent of the State branch of the designated federal party; and
(iii) in the case of the share applicable to the agent of the other party in accordance with that agreement or determination, as the case may be—pay the share to the agent of the other party; or
#af if paragraph (ae) does not apply, the members of the group were endorsed by 2 registered political parties, and only one of those parties is a designated federal party or a State branch of a designated federal party:
(i) divide the payment into such shares as are agreed upon between the agents of the State branches of those parties that are organised on the basis of the State or Territory in which the members of the group stood for election or, in the absence of agreement, into such shares as the Electoral Commission determines; and
(ii) in the case of the share applicable to a State branch of the designated federal party in accordance
with that agreement or determination, as the case may be—pay the share to the agent of the designated federal party; and

(iii) in the case of the share applicable to the agent of the other party in accordance with that agreement or determination, as the case may be—pay the share to the agent of the other party; or

(7) Schedule 1, item 4, page 6 (line 1), omit “and (ad)”, substitute “, (ad), (ae) and (af)”.

(8) Schedule 1, item 5, page 6 (line 4), after “(ad)(i)”, insert “, (ae)(i), (af)(i)”.

(9) Schedule 1, item 6, page 6 (line 15), omit “The”, substitute “For the purposes of subsection (5E), the”.

(10) Schedule 1, item 6, page 6 (after line 21), at the end of the item, add:

(5H) The registered officer of a designated federal party may, before the polling day for an election, give the Electoral Commission a written notice determining that, for the purposes of the application of this section to the election:

(a) a specified percentage is the federal percentage applicable to a specified State branch of the party; and

(b) a specified percentage is the State percentage applicable to a specified State branch of the party.

(5J) For the purposes of subsection (5H), the sum of:

(a) the federal percentage applicable to a particular State branch of a designated federal party; and

(b) the State percentage applicable to the State branch of the party;

must be 100%.

(5K) A notice under subsection (5H) has effect accordingly.

I spoke about these amendments at some length in the speech I gave at the second reading stage. To summarise, the effect of these amendments is to allow the same provisions that are available to the Liberal Party to apply to all other parties who would like to access that same system. The attitude of the Democrats to this bill can be summarised in two short sentences. Firstly, these principles being established for the Liberal Party should only be accepted if they are available for all parties—and I think that is a reasonable proposition. Secondly, the consequence of such amendments should not be to force this arrangement on anyone; it should be a matter of choice. These amendments seek to achieve that outcome.

Senator BROWN (Tasmania) (7.32 p.m.)—Would Senator Murray be good enough to explain to the committee again why part (4) of Democrat amendment (2) is there and what it means?

Senator MURRAY (Western Australia) (7.33 p.m.)—The amendments have the effect of extending the provisions currently in the bill relating to the Liberal Party to other parties which have a federal secretariat and state or territory branches. They provide that a registered political party with a federal secretariat and a state or territory branch structure, other than the Liberal Party, may choose to be treated as a designated federal party. Accordingly, this would not include a registered state branch of a registered political party. The amendments provide that a designated federal party may give written notice to the Electoral Commission specifying the percentage of public funding that is federal and the percentage that is for a specified state branch of the designated federal party. They provide that, where such a notice has been lodged in respect of a particular election, after that election the amount of public funding—

Senator Conroy—You haven’t got a hidden agenda here, have you, Andrew?

Senator MURRAY—I am answering the question. The amount of public funding due after that election is paid according to the federal and state percentage break-up specified in the notice. The amendments provide that, where no such notice specifying the percentage break-up for the payment of public funding is lodged, the amount of public funding due is paid to the agent of the designated federal party. I think you referred to amendment (2), Senator Brown?

Senator Brown—Yes, part (4).

Senator MURRAY—Democrat amendment (2) on designated federal parties inserts item 1A into the bill. Item 1A inserts a new section, 287B, which provides that a registered political party that has two or more
state branches may choose to be treated as a designated federal party. In order for it to be treated as a designated federal party, the registered officer of a registered political party must lodge a written notice with the Electoral Commission stating that the party chooses to be treated as a designated federal party. The registered officer may revoke this choice by notice in writing to the Electoral Commission at any time, except between the period commencing at the start of the polling day for an election and the end of the 14th day after the day on which the writ is returned.

Senator BROWN (Tasmania) (7.35 p.m.)—My question to Senator Murray concerns why that provision is there. I am not searching for something here; I just do not quite understand why that particular provision which says that this arrangement cannot be revoked at election time is there.

Senator MURRAY (Western Australia) (7.35 p.m.)—The advice the Democrats had on that matter was that during an election period it is advisable to have certainty as to the funding arrangements, because of the complications that could otherwise arise.

Senator BROWN (Tasmania) (7.35 p.m.)—I presume that is because you do not know who is coming in afterwards and there may be some change. Can Senator Murray tell the committee whether or not this legislation would apply to all federally registered parties? I am asking whether parties are in the main centrally registered or whether most of them have federal arrangements of some sort with state branches. What I am really getting at is this: how many parties, or what percentage of those parties that are registered, will this legislation affect?

Senator MURRAY (Western Australia) (7.36 p.m.)—That is a good question, and I would probably have to ask the Special Minister of State to ask the AEC. To my knowledge, only the Australian Democrats are a national party in the sense that they do not have autonomous state branches. I think that is the only party of that kind. As far as I understand, everyone else—certainly the Liberal Party, the Labor Party and, I think, the National Party; I am not sure of your own party—has autonomous state branches which are locked into a federal structure. The Democrats are not a federal party; we are a national party.

Senator HOGG (Queensland) (7.37 p.m.)—Senator Murray, in your definition of a designated federal party where it states that ‘there are two or more state branches of the party’, what happens if there is a branch in one state and another in one of the territories, or if there are branches in two of the territories but none in the states because of circumstances peculiar to a territory? How do you handle that?

The TEMPORARY CHAIRMAN (Senator Lightfoot)—Perhaps the Chairman of Committees might direct his questions through the chair.

Senator MURRAY (Western Australia) (7.38 p.m.)—Through the chair, I am sure he knew; it was just a slip-up, wasn’t it? The advice I have got is that a designated federal party which had state and territory divisions would be caught by this. I would be happy to hear from anyone who has a different view.

Senator HOGG (Queensland) (7.38 p.m.)—Chair, could I seek some advice through the minister from the officials of the AEC—if they are here—on whether they can clarify, by this definition, where there are two or more state branches, if ‘state’ implies territories as well? It may well be that somewhere down the track we end up with that emerging for no good reason at all. It could be just a quirk of fate.

Senator BROWN (Tasmania) (7.39 p.m.)—My last question was searching to see whether there are parties not represented in this parliament that will be affected by this legislation. The next point was to ask whether those parties had been consulted and knew that this change was occurring. I think that is very important.

Senator Abetz—As I understand Senator Murray’s amendment, the parties do not have to avail themselves of it.

Senator BROWN—Chair, the minister is on a different wavelength. What I was coming to was not the argument about whether this is good or bad but the reasonableness of consulting parties which may be affected by this legislation.
Senator Abetz interjecting—

Senator BROWN—Senator Abetz, by interjection—I think that is probably disorderly—is saying that they do not have to avail themselves of this. That is wrong. The point is that a registered officer of a party at national level could move to avail themselves of this mechanism without the states being consulted. As a good and true Tasmanian, Senator Abetz may have to account for this one day: the state branches are cut out in this mechanism. The point I am trying to make is that there may be a lot of people working in smaller political parties that are not represented in here but are nevertheless a very important part of the democratic fabric who do not know that there is effectively a transfer of power to the national organisation, which was not there before but is inherent in this amendment. They will have no say about it. If somebody at central office who is called the registered officer wants to avail themselves of the new power here, the state branches have no say.

That is why I supported Labor's second reading amendment. I think this bill should have gone to a committee. There should have been an opportunity for lots of people who work their hearts out for their little political parties—there are dozens of them right across the spectrum—to have been consulted about this so that they could make a submission. If this goes through as it is, it will come as a bolt out of the blue for many of those people out there. That is why I thought the Labor amendment was a good one. I am just wondering if Senator Murray knows, through the electoral office or through some other facility, whether political parties in general have been informed that this amendment is on the books and whether they have had any input into it.

The TEMPORARY CHAIRMAN (Senator Lightfoot)—The Leader of the Opposition, the Hon. John Faulkner.

Senator FAULKNER (New South Wales)—Leader of the Opposition in the Senate) (7.43 p.m.)—That is a most generous way to call me to the microphone, Mr Chairman Ross Lightfoot. I appreciate that. As I understand what Senator Murray is trying to achieve, he is proposing to extend the provisions of the Commonwealth Electoral Amendment Bill (No. 1) 2002 to a range of other political parties. I think it is fair to say—and Senator Murray can correct me if I am wrong, but he nods his head—that that is the general thrust of the amendments we have before the chair. What Senator Murray is trying to do, to use the old adage, is make a silk purse out of a sow's ear. I am disappointed that Senator Murray would do that.

I understand that he has used the good officers of the Australian Electoral Commission to draft these amendments. I think Senator Murray must have accepted the very strong arguments that have been put in this place by the opposition in relation to this legislation—that is, that it is totally inappropriate for such legislation to name one political party and for it to be introduced and proposed for the benefit of one political party. Senator Murray might indicate to the committee if he does, in fact, accept the fact that that is the fundamental reason he has asked the Australian Electoral Commission to draft this very complex set of amendments that have been moved by him on behalf of the Australian Democrats—well, has he moved them on behalf of the Australian Democrats?

Senator Murray—I'm surprised it took you so long to get to that.

Senator FAULKNER—I assume that—well, I assume nothing in relation to the Australian Democrats. I suppose neither do you, Senator Murray, these days.

Senator Murray—Quite right.

Senator FAULKNER—I am disappointed because I know that not only Senator Murray but also Senator Bartlett have played an active role in the Joint Standing Committee on Electoral Matters. That has been a positive thing over the past few years because it means that both the gang of four and the gang of three have been able to be represented on that committee. There is nothing like getting a broad brush of representation when these sorts of issues are being discussed.

Senator Murray—through you, Mr Chairman—these are complex amendments. Senator Murray may have been able to satisfy himself that there are no unintended
consequences from these amendments but I would have thought that it was appropriate that the parliament’s Joint Standing Committee on Electoral Matters—the committee of this parliament that is charged with the responsibility of examining electoral law in this country—has an opportunity to look at these sorts of proposals. I respectfully suggest to Senator Murray that there has been no opportunity for that committee to examine this matter. No-one in the Liberal Party for a decade has seen fit to bring this question about the distribution of public funding before the Joint Standing Committee on Electoral Matters. In other words, no-one has, either in evidence before the committee from the Liberal Party or in submission to the committee from the Liberal Party—none of those individuals or organisations and none of the state divisions or the federal secretariat or anyone who represents them—raised this issue before the committee.

In those circumstances, when such complex amendments are proposed by Senator Murray, it seems to me absolutely appropriate that the committee of this parliament that is charged with investigating these matters has a look at it. We are left in this committee stage—I think you would agree with me, Senator Murray—having to accept your good word, and you are a man of your word, that these amendments have been drafted by the AEC. I think that is the case, is it not, Senator Murray? Perhaps you can inform the committee as to whether that is the case. Perhaps they have the support of the Australian Electoral Commission.

The approach that the Australian Democrats have taken here is absolutely unsatisfactory. To give the Australian Democrats some credit for this, the issues of concern to their political party have always been raised by a form of submission to the JSCEM. Witnesses before the JSCEM, including Senator Murray himself as a witness appearing on behalf of the national executive of the Australian Democrats, have argued the position that that political party holds in relation to these sorts of matters. I think, Senator Murray, you would have to acknowledge to this committee that at no stage did the Australian Democrats put forward any such proposal. I am not sure that this committee is in a strong position tonight to be able to make a judgment without some more thorough investigation as to the good sense and utility of these particular proposals.

I simply do not understand the motivation for moving these amendments. You cannot, Senator Murray—through you, Mr Chairman—turn a bad bill into a good piece of legislation. You have to go to the motivation of the government in relation to this. I am disappointed that you are desperately in there trying to dig the government out of a hole of its own making. Senator Murray, of course, has said from time to time that he is pretty relaxed about this legislation. I do not think he really understands why the Labor Party are so concerned about this particular piece of legislation. You do not, do you, Senator Murray? You do not understand why we think that the introduction of and debate on this legislation in this place is such an abuse of parliamentary process. We have tried to mount that case—I think we mounted that case very effectively during the second reading debate. It is all so unnecessary to have to pass some legislation in the Commonwealth parliament to sort out the internal problems of any political party.

In that respect, this legislation is unprecedented. I am very disappointed that the Australian Democrats have seen fit to support such legislation and now, in a desperate last-ditch effort, are attempting to see if the legislation can be improved by extending it to other political parties. I am afraid, Senator Murray, the intention, the motivation, of this legislation is clear and it ought to be obvious to you, as it is obvious to other senators in this place. I hope, as this committee stage debate continues, that you give some thought as to the integrity of the Australian Democrats in relation to issues of electoral matters and electoral policy in this country. You have been sucked in by the government on this issue, Senator Murray, and this is a very transparent effort on your behalf to try and fix problems of the government’s making. You do not have to do it. It is not the job of the Democrats to dig the government out of a hole. I think the responsibility of the Democrats is—
Senator Conroy—To dig themselves out of a hole!

Senator Faulkner—That may not be possible. It is the responsibility of the Democrats to make some judgments about the legislation before the chamber. This is perhaps the most cynical piece of legislation that we have seen debated in this parliament in a decade. This is all about a political party unable to get its act together, unable to get its own state divisions to agree on the disbursement of public funding, unable to get its own senior executives to sign on the dotted line. In that situation, what does the government do? It resorts to the parliament to try and solve these problems. It is very disappointing that Senator Murray then takes on the responsibility, as I say, of trying to dig the government out of a hole. I hope it is not the establishment of a pattern on his part. I encourage the Australian Democrats to think very carefully about what they are proposing. It is very unfortunate that there is some sort of closed-door arrangement with the Liberal Party of Australia on this matter. There are all those other important matters of electoral policy—the key issues in relation to funding and disclosure, where the Liberal government and the Liberal Party have such a poor record. I really do hope that we are not going to see a similar attitude and approach from the Australian Democrats to think very carefully about what they are proposing.

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Senator Conroy—You’ve been arguing for one member, one vote.

Senator Murray—I believe in one vote, one value, and I will bring that amendment later on. Senator Conroy always catches me out. He manages to make me lose my track. Let me return to what I was saying about whether this bill does allow the same process or the same opportunity to every participant in the electoral process who is entitled to receive public funding:

I find that it does not, and I and my party would not let the bill through as it is outlaid. It is untrue to say that we would pass it. We will only pass it with amendment. I went on to say:

The other principle I have to look at is whether the allegations by the Labor Party concerning Liberal Party disaffection with this bill are true or not. I have no way of knowing that; I have no way of knowing how much irritation there is in state Liberal divisions. I can only work from my own experience and, as the electoral matters spokesperson, I have not had any—not one—member of a Liberal state executive, the Liberal president or a Liberal office holder ring me, email me or write to me, either officially or unofficially. The only time I have had any concerns expressed to me about this bill was by two members of this parliament who raised the matter informally with me. So I do not have any evidence that there is any internal Liberal Party concern about the mechanism which would allow a more centralised funding payment.

However, if that is the case, I then have to discard that area of concern and return to the first principle, which is whether this bill will allow the same provisions for all political parties or all those who receive funding. With regard to the Australian Democrats themselves, the law presently provides that funding is paid to a principal agent. Labor, in the speech from Senator Faulkner, outlined their agreed method between their state and federal bodies to allow them to be paid. This legislation proposes to allow the federal secretariat of the Liberal Party to be funded directly, and we have been advised that that is unanimously agreed to by the federal Liberal secretariat, which includes all divisional presidents.
We either would end up rejecting this or we could try amending it ... Through different mechanisms, the funding of both the Labor Party and the Democrats is paid directly to the national or principal agent to the party, and the legislation proposes to make it accessible to the Liberal Party in its particular circumstances. There are a lot of political parties other than the ones just mentioned. Our amendment will provide a similar option for all political parties. We think it is reasonable for the Liberal Party to have the option to be funded at a national level, if that is their consensus, but the option should be available to all political parties via the Australian Electoral Commission without in future having to come to parliament seeking specific legislation.

Therefore, our amendments will amend the bill so that it applies more generally to political parties registered under the provisions of the Commonwealth Electoral Act.

I cannot express our approach more clearly. It seems to have aggravated the Labor Party enormously, but for us the principle of being able to be paid nationally, if that is what a political party wants, is unassailable. I personally do not care if it is One Nation, the Greens, the Labor Party, the Liberals or the Democrats.

Senator Conroy—Can it have its own constitution as well? Will it be allowed to have its own constitution?

Senator MURRAY—No, I have some ideas on that, as you know.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (8.01 p.m.)—I would just say this to Senator Murray: with all due respect—

Senator Murray—He’s going to be rude to me now.

Senator FAULKNER—No. I am going to give you all due respect and no undue respect. It is a nonsense for you—

The TEMPORARY CHAIRMAN (Senator Lightfoot)—Perhaps you could give the chair some of that respect, Senator Faulkner.

Senator FAULKNER—As you know, Mr Temporary Chairman, I always give you all due respect. I believe it is a nonsense for Senator Murray to be repeating before this chamber his words from his speech on the second reading debate. I think it is a mistake that they are repeated in this committee stage of debate. Senator Murray said:

This legislation proposes to allow the federal secretariat of the Liberal Party to be funded directly, and we have been advised that that is unanimously agreed to by the federal Liberal secretariat, which includes all divisional presidents.

That is what Senator Murray said—and fair enough—in his speech in the second reading debate, and that is what he has repeated in the chamber. What Senator Murray seems to have failed to understand is that, if what he says is right, there is no need for this legislation.

I say that he has been duped. He has been conned. If what he says about everyone agreeing is true, then why have the bill at all? The bill would be a nonsense and there would be no need for it. Senator Murray must see that. Surely the Australian Democrats are not so tied up in their internecine warfare that they cannot draw that obvious conclusion from what is being told to them by the government. If everyone in the Liberal Party agrees, as Senator Murray says they do, there is no need for the bill. Someone could draft a letter, all the divisional presidents that he talks about could sign the letter and the issue would be over. There would be no need for the legislation at all.

I am so surprised that a person in this chamber of some capacity and some intelligence cannot see that. You have been conned, Senator Murray—you have been taken for a ride—and now is the time to own up. Get up onto your feet and say that the nonsense you have just read into the Hansard from your speech on the second reading debate does not hold water. It cannot be right. If they all agree, then they would not need the legislation. Even you, Senator Murray, would have to acknowledge that that is the case. I suggest that you go back to first base and come up with another miserable excuse, because that one will not wash. No reasonable person could accept the position that the Australian Democrats have been advised that it has been unanimously agreed by the federal Liberal secretariat, including all the divisional presidents, that this legislation should be supported, that the legislation pro-
poses to allow the federal secretariat of the Liberal Party to be funded directly and that is unanimously agreed. And you believe it, Senator Murray—you have now said it twice.

I thought you must have made a mistake when you said it the first time, but when you read it into the record the second time I realised that you had been duped. Now is your chance to do something about it. You ought to say to the Liberal Party, ‘If you can get this unanimous agreement, send a letter.’ The stamp has already been tabled in the Senate by Senator Ray. There will be no cost to the Liberal Party at all. The only cost of this will be borne by Senator Ray, who I can inform the committee can afford the 45c involved. I have offered to draft the letter. Senator Murray, now is the time to retire gracefully.

Senator BROWN (Tasmania) (8.06 p.m.)—I have a question for Senator Abetz that follows on from what Senator Faulkner has just been putting to Senator Murray. If everybody is in agreement in the state and territory Liberal parties, why has this arrangement not been made simply, through the good offices and togetherness and goodwill of the parties’ workings, to have the electoral office pay the cheque to central office? Why is it that we need this legislation? What is it in the Liberal Party that we cannot quite see here? What is the driving force? Senator Faulkner is quite right: if everybody is a happy family this would have been fixed up years ago. Why are we here legislating to override the rights of state parties? It does not make sense. If you say that the party is not in disagreement, it just does not make sense.

Senator Abetz—You are ignorant.

Senator BROWN—I’m what?

Senator Faulkner—He said you are ignorant.

Senator BROWN—I see—sotto voce.

Senator Faulkner—Look, I think you are right on this.

Senator Abetz interjecting—

The TEMPORARY CHAIRMAN (Senator Lightfoot)—Senator Brown, disregard those comments and address your comments through the chair.

Senator Faulkner interjecting—

Senator Abetz interjecting—

The TEMPORARY CHAIRMAN—I am sorry to interrupt the conversation between Senator Faulkner and Senator Abetz. If you could ignore them, please, Senator Brown, and direct your comments through the chair, it would be appreciated.

Senator Abetz interjecting—

Senator Faulkner—Senator Abetz, if you want to say something, you get up and seek leave to say it, basically.

The TEMPORARY CHAIRMAN—You are out of order, Senator Faulkner.

Senator BROWN—I think what is required from Senator Abetz is a little bit of clearing of the air here. We need to get an adequate description of the efforts that have been made within the Liberal Party to get the branches, at state level, to be in consensus to having a cheque go to central office after the elections. I hate taking part in a debate which is not based on all the information that is required for that debate, and of course basic to a debate on any legislation is the need for it. What we have not heard from the government is the need for this legislation. The argument that has been put forward about everybody at state level agreeing that this legislation is required is the strongest argument you could get in this place for not needing the legislation.

I have a proposition for Senator Murray that he might respond to. He says the amendment makes this fair and equal for all parties because it passes the legislation on behalf of all parties, not just the Liberals—even if parties like the Australian Greens do not want it. We object to it; we will have it nevertheless.

Senator Murray—It is not imposed on you.

Senator BROWN—Senator Murray says it is not imposed on us. I am afraid that may be so as far as the national executive of a party is concerned; it may not care to trigger this action. But it is taking away from the New South Wales Greens, the Tasmanian
Greens, the Victorian Greens, the South Australian Greens, the Territory Greens, the Queensland Greens and the ACT Greens their power to keep the money.

Senator Murray—It does not.

Senator BROWN—It does, because if the registered officer of the central party says, ‘Make your cheque out to us—

The TEMPORARY CHAIRMAN—Order! Senator Brown, if you want to have a dialogue with Senator Murray, you have every opportunity to do that after the debate. Could you please direct your conversation through the chair.

Senator BROWN—Senator Murray made a most orderly interjection and I was just diverted.

The TEMPORARY CHAIRMAN—I did not hear Senator Murray’s interjection, but when he makes them they are almost always orderly.

Senator Faulkner—No interjection is orderly.

Senator BROWN—That is true, but there are degrees of quality of interjection, Senator Faulkner. I am very interested to hear if Senator Murray could explain to me how this does not disempower state parties which are affiliated with the Australian Greens. Finally, I want to come back to Senator Abetz’s assertion before his summing up on the second reading that the Greens had a donation of $90,000 from the Commonwealth Bank. Maybe he could explain to the committee where he got that information from. It is quite an extraordinary statement to make. He might inform the committee where he got that information from and how he came to be so sure about it.

Senator MURRAY (Western Australia) (8.12 p.m.)—I think in this instance I will ask to be assisted by the lawyers on the other side, because my understanding of my amendment is that, in order to be treated as a designated federal party, the registered officer of a registered political party must lodge a written notice with the Electoral Commission stating that the party chooses to be treated as a designated federal party. The point there is that the party chooses. The party has to choose, and it tells the registered officer and the registered officer acts. If the registered officer acted without the party choosing, he or she would be in breach of their duty of care to the party concerned. I do not think, on my reading and understanding of the amendment, that you could have a unilateral act by a registered officer. But I am not a lawyer. Perhaps those on the other side might confirm that my reading is correct.

Senator ABETZ (Tasmania—Special Minister of State) (8.13 p.m.)—A number of issues have been raised thus far, so I will intervene and try to deal with them as they have arisen. The first issue was the definition of a state branch. That is in section 287(1) of the act. In relation to a federal secretary supplying notice to the Australian Electoral Commission, I understand that the practice of the Australian Electoral Commission is in fact to seek proof, by way of the resolution that was carried in relation to the authority that the federal secretary alleges that he or she has. Suggestions have been made that the government’s bill has been born out of internal Liberal Party division. Paragraphs 2.44 and 2.45 of the committee report dispel that completely and utterly.

The next issue is why we need this legislation at all. In subsections 299(5A) to (5C) is the provision the ALP used to direct funding from the states to their federal secretariat. It is an all-or-nothing provision—that is, all the money gets paid to the federal secretariat. There is no ability for a percentage—and this is important—to be paid to the federal secretariat and a percentage to the state officers. Therefore, as a federal body that does happen to believe that the states have a role, you can have a situation where a percentage can be paid to the federal body and a percentage to the state bodies. In my respectful submission to the chamber, there is no difficulty with that.

In relation to the Democrat amendment, it is my advice that this will potentially only impact, if at all, on six out of the 60 registered parties: the Democrats, the ALP, the Christian Democratic Party Fred Nile Group, the Liberal Party, the National Party and Pauline Hanson’s One Nation party. So, despite all the protestations of Senator Brown as to the Greens, the Australian Greens is not
a federally registered party. It is a disparate group of state entities that do not have, on my advice, a national secretary or secretariat pursuant to the Electoral Act. As a result, it will not apply to the Australian Greens. As I understand it, it will apply to those that have a separately registered federal body.

In relation to the Greens funding, the Australian Electoral Commission, in the year 2000-01, noted that the Commonwealth Bank made moneys, albeit unspecified, available to the Australian Greens. What if you do not like the Commonwealth Bank, having received unspecified funds? It may well have been a mortgage, for example. That I do not know; I am not sure that gets us anywhere. But Avant Card, which I understand is a business, did make a contribution of, if I recall correctly, about $66,000. So, if it happens that the Commonwealth Bank’s unspecified contribution to the Greens was in fact by way of a commercial transaction or a mortgage, that is fine and let us move to Avant Card, because it would still apply to any political party that had received a donation from a corporation. And, as I understand it, Senator Brown’s matter of high principle is that the Greens would not have spent that money until after three years of its receipt. I think that deals with the matters that have been raised so far.

Senator BROWN (Tasmania) (8.18 p.m.)—It does not deal with the matter and I will not move to some other company. Senator Abetz has been caught out. He stated categorically that the Greens had a donation of $90,000 from the Commonwealth Bank. He is now, of course, back-peddling because he did not know what he was talking about. He had not done his homework and he made a bald statement based on supposition. What sort of a minister is that on what could potentially be a contentious matter like this? He did not understand that when you do that you get yourself into trouble, and so he is in trouble—found out on the record and there it will stay.

All I want to say about that behaviour is that it is fairly average quality for Senator Abetz. He has got a huge number of staff and an enormous ability to do research and he has the ability to check and make sure he is right, but he did not because his political motivation got in the way of making sure he did not misrepresent—in this case—the Greens. He did not understand that when you do that you get yourself into trouble, and so he is in trouble—found out on the record and there it will stay.

The next point I come to is that the Australian Greens are not federally registered. I want to ask Senator Abetz: if the Australian Greens are not effectively registered, how come they ran as the Australian Greens in the federal election?

Senator CONROY (Victoria) (8.21 p.m.)—I rise to speak once again on the Commonwealth Electoral Amendment Bill (No. 1) 2002. I am disappointed—

Senator Murray—Casinos?

Senator CONROY—High rollers may get a mention. I am disappointed to have to speak on this. I had hoped that by now Senator Murray would have seen what Senator Faulkner has described as the ‘con’
involved in this bill. If, as Senator Murray wants to believe, there is no disension inside the Liberal Party on this bill, then Senator Faulkner is right: it is just the stamp that Senator Ray tabled. But Senator Murray is getting pretty good at looking below the surface in party conflict and seeing what is really going on, and I would hope that he would take those forensic skills that he has recently been employing as the hard man of the Australian Democrats and apply them to the Liberal Party and not just to his own party right at this moment in time.

It is clear that this is the government trying to fix up its own internal problems through the Australian parliament. It is an abuse of parliament, it is an abuse of process and it really should have just been tossed out by now. But I know you have been distracted by your struggles, Senator Murray, and I am hoping that, in amongst all of that, in the same way the light has dawned on you recently over some of your own problems, you will see what is going on inside the Liberal Party and just decide to withdraw your support at the last minute. We are holding out hope for you there, Senator Murray. We look forward to your ongoing contributions.

Let us talk about the federal Liberal Party and what is really going on here. I spoke previously and went through some of the debacles in the Queensland branch of the Liberal Party. I want to give a bit of an update because it is almost a year since I spoke on this last and there have been a few developments in Queensland, all of which should hopefully—we can provide the clippings; the documents are floating around; they are all available for you to have a look through, Senator Murray, if you take the time, in amongst looking through your own documents on crikey.com—

Senator Murray—None of mine ever get leaked.

Senator CONROY—You are obviously not trying hard enough. At some moments in politics you think, ‘Is this a conspiracy theory—a very cunning plan? You help bail the Liberal Party out of its internal problems, and they might help you bail out yourself.’ It could be a cunning plan.
want to go to some of the more infamous activities of the Queensland branch recently, and I welcome your attendance and hope for your participation. I have talked about Groom, Lilley and Leichhardt, I have talked about the GST rorts, I have talked about the raffle that the Queensland branch of the Liberal Party ran and then had to cancel because no-one would buy a ticket; and, of course, we have had the Brandis rule, which I note will actually be under a bit of a challenge in the forthcoming weekends. The Brandis rule, for those of you who do not remember, was that unique rule in Australian politics whereby—

Senator Abetz—And you gave Kim Carr control in Victoria.

Senator CONROY—I will be coming to the Tasmanian Liberal Party. I promise you, Senator Abetz, that I will be coming to the Tasmanian Liberal Party. You do not need to jump in now, because you will be getting a special mention later. So we have got the Brandis rule. For those of you who do not remember the Brandis rule, it was that unique effort where if you could get two-thirds of your branch to vote to include ineligible voters in a preselection they got to be in. You have really got to admire that! I see Senator Brandis blushing on the other side, because he was the architect. It was called the Brandis rule.

Senator Brandis—Only by you, Senator Conroy.

Senator CONROY—You are far too modest, Senator Brandis. We see at the moment a struggle for the heart and soul of the Queensland Liberal Party. We have got a new rule which I read in today’s Financial Review is going to change, possibly, the Brandis rule. I am hoping that you will be able to clarify this for me. On the agenda is a proposal to allow party members who live in a federal division or a neighbouring federal division to take part in plebiscites, and this option has been backed by party powerbrokers. I can only assume, Senator Brandis, that you must be one of those federal powerbrokers. I am not sure how your colleague in Ryan is going to feel about losing probably three-quarters of his party membership back to Hong Kong.

The TEMPORARY CHAIRMAN—You mean my colleague in Ryan, Senator Conroy?

Senator CONROY—Sorry, Mr Temporary Chairman, your colleague also in Ryan. I am not sure how he is going to feel about losing all of those voters because they actually reside in Hong Kong and nowhere near the adjoining federal division or in fact in the federal division. But perhaps the Brandis rule is not really being got rid of and they will still get a vote in the next Ryan preselection, which I understand could be hotly contested if this rule is enforced.

We have also had, since I last spoke on this, the state president, Senator Herron—the man who had his office packed, ready to take the posting; you could walk past his office and there were the boxes, ready to be collected, and, no, the Prime Minister had to ask Senator Herron to stay—who had to put on hold his posting overseas to Ireland and the Holy See and has had to sit and wade through 10 or 12 months of this infighting in Queensland. But even he has had enough, even he cannot save it, and he has gone to the Prime Minister and said: ‘There’s nothing more I can do. I’ve got to get out. You’ve got to keep your word to me.’ And you are helping to facilitate this, Senator Murray. Senator Herron is jumping ship; he is going to that very nice posting in Ireland and the Holy See. While I am sure he will be an excellent ambassador for us, I am sure the Prime Minister would prefer him to stay in the Queensland branch. But even Senator Herron cannot cope with the cannibalism that is taking place there at the moment. You only have to look at today’s newspaper to see that an impassioned Mr Quinn, the state leader of the three members of the Queensland Liberal Party, is begging for your assistance, Senator Murray. The article states:

Taking on the leadership—he is referring to those powerbrokers earlier in the story—has proved a draining and expensive exercise for Mr Quinn, who said he had received no financial help from the party and had paid office bills, including a staff member’s mobile phone bill, out of his own pocket.
You have got to do it hard when you are a Queensland Liberal. It is a pretty mean and tight Queensland state office that makes the leader pay for his own staff’s mobile phone bills.

Senator Abetz—That’s because your Premier is not as generous as we are.

Senator CONROY—There are only three of them. To be fair, Senator Abetz, you have managed to maintain, I think, seven members in the Tasmanian state Liberal Party caucus—as opposed to the Greens, who have almost caught you. I think you do have something to boast about there, Senator Abetz; you are outperforming the Queensland Liberal Party of Senator Mason. You should stand up for your branch. This is what Mr Quinn said in his blunt assessment of the state of the Liberal Party in Queensland:

A culture has developed within the party where it’s all about the need for the winner to take all ... It’s all about individual political gain. Self-interest rules.

... it was difficult for a leader to acknowledge that branch-stacking occurred within a party.

But then Mr Quinn would know. There have been some very interesting developments just recently. This is the Mr Quinn who is determined to stamp out branch stacking reforms through the Queensland Liberal Party he is going to consider his position. He should stand up for your branch. According to the Sydney Morning Herald today, up to 1,000 new members recently joined up in the Queensland Liberal Party. That is about 25 per cent in a very short period of time. I understand that some of these members were enrolled, and their membership forms submitted, at 4:45 p.m. recently—on the last day of enrolments. That is, 137 membership forms were walked into the Queensland Liberal Party state office at a quarter to five, 15 minutes before the close of business, and paid for with two cheques. Just two cheques were used to pay for 137 members. They were handed in by none other than the junior minister, Mr Brough, and it was his own Caboolture branch in Queensland.

Senator Brandis—Mal Brough is a great man.

Senator CONROY—Thank you, Senator Brandis. I will happily accept your interjection so that can be recorded.

Senator Faulkner—Did you notice he had a real smirk on his face when he said it?

Senator CONROY—I am incapable of reading Senator Brandis: I could not comment. One hundred and thirty-seven members who live outside the electorate were installed in the Caboolture branch at a quarter to five on the last day, paid for with two cheques. Seven of these new members were subsequently elected to represent the Caboolture branch at the Queensland Liberal Party convention. This is seven people from one family, all with the same surname. It is a very famous name; I do not know if they are related. It is the McMahon family, and I send a cheerio to the McMahon family. I understand they live in Highgate Hill. Highgate Hill, for those of you who are from Western Australia or Tasmania, is not anywhere near Caboolture. It is actually in the centre of Brisbane, some 100 kilometres away. So we see the Caboolture branch of the Liberal Party sending seven McMahons who live in Highgate Hill to represent the Caboolture branch of the Liberal Party. It is really quite extraordinary. It is good to see a family getting involved in politics, I say, and that is what we all like to see, but this is clearly absurd. The minister has walked in these memberships—seven members of one family—at a quarter to five.

Senator Brandis—I rise on a point of order. I feel constrained to rise to the defence of Mr Brough, Mr Temporary Chairman, and direct your attention to standing order 193(3), which prohibits a senator from casting imputations of improper motives or personal reflections on a member of another house. As I understand Senator Conroy, he is making an imputation against the integrity of Mr Brough, and I ask that you rule that his comment is unparliamentary.

The TEMPORARY CHAIRMAN (Senator Cook)—Senator Conroy, if you are making an imputation contrary to standing orders—

Senator CONROY—I am not actually sure what imputation I have made, but if I
have I accept your request to withdraw it. Quite frankly, I am not sure I have got to making the imputation just yet; I think Senator Brandis is just overly keen.

The TEMPORARY CHAIRMAN—Are you withdrawing any imputation?

Senator CONROY—I am withdrawing any imputation, but I am not sure I actually made one.

The TEMPORARY CHAIRMAN—Please continue, Senator Conroy.

Senator CONROY—What we have seen is a Liberal Party that is eating itself. It is totally divided, Senator Murray. You have the leader’s famous comments, which I read out last year, from one senior Liberal source. He said:

If Howard wins the election we will move swiftly to bring about change and take out these people in Queensland. They have a winner-take-all view of the world which is anti-democratic. They seek to rule with an iron fist, using brutal, ruthless tactics which you usually see in the Labor Party. Imagine the power and authority Howard will have if he pulls this election off. Those people in Queensland should be very afraid.

That is what this is really about; this is about an attack to get even in Queensland. I do not think that Senator Abetz should be so smug. I have to tell you, Senator Abetz, that your state branch is next and your head is on the chopping block. We all know the debacle that you have led the Tasmania Liberal Party to. After they have finished with Queensland, they will be coming for you. You should not be so smug sitting on the other side of the chamber, because they are coming for you next. In finishing, it is disappointing that we continue to see the Democrats participating in this evening-up in the Queensland Liberal Party. The Prime Minister is simply wanting to get his way. (Time expired)

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (8.38 p.m.)—I have been very disappointed that Senator Murray meticulously and very carefully read the words into the record so that he did not slash outside the off stump. He said:

This legislation proposes to allow the federal secretariat of the Liberal Party to be funded directly, and we have been advised that that is unanimously agreed to by the federal Liberal secretariat, which includes all divisional presidents.

That puts the lie to the need for this legislation. You cannot have it both ways: either what Senator Murray has said to this committee is true, and if it is true then there is no need for the legislation; or what Senator Murray has said to this committee is not true, and if that is the case we will listen with interest to him making a personal explanation and apologising to the chamber. I do make this point, and it is a serious point, that you cannot have it both ways: either the federal secretariat and the state divisions sign up in support, and if they do the bill is not required; or that is simply not the case. The point I make, and it is a strong point, is if there is agreement there is no need for the bill.

Let us try to deal with this issue about the impact of the Democrat amendment. The Democrat amendment allows the central body of a political party to dictate to its state branches who will get public funding following a federal election. That is what Senator Murray’s amendment ensures. The point has been made on a number of occasions here that the Democrats themselves have the name of their political party in the Commonwealth Electoral Act. I have heard it now from the minister—and Senator Murray is nodding sagely at the back, hoping that I will not take up the point in the committee debate—but, if it is good enough for the Democrats, it ought to be good enough for the Liberal Party. In relation to this, if you ever mention the Australian Democrats, mention the Liberal Party of Australia. Everyone knows, including of course Senator Murray, that for every registered party, except the Australian Democrats, as I understand it—if there is a change, Senator Murray, I would be happy to acknowledge that perhaps the information I am going to provide to the committee is outdated—the
candidate who ran in the election is a member of the state branch or state division of that political party and was nominated by the state branch or state division of that political party. Mr Temporary Chairman, as you would know, that stands in stark contrast to the situation we have with the Australian Democrats, because they have a national membership structure, and that is why the Australian Democrats are named in the Commonwealth Electoral Act. Senator Murray knows that. It is even possible that Senator Abetz knows that. Certainly, the Australian Electoral Commission knows that that is the situation.

Over the past few weeks the newspapers have been full on the Democrats' national membership structure and what the implications of it are in relation to the future of the Democrats in this parliament. I do not want to go into that. I do not want to score any cheap political points during this committee stage debate. But Senator Murray should acknowledge that the Australian Democrats have a national membership structure, and Senator Murray should explain to this committee the statement he made in relation to the position of the federal secretariat. If the state divisions of the Liberal Party do agree, as Senator Murray says they agree, then why have the legislation? So there are two things that Senator Murray needs to explain, and it is only a quarter to nine at night. By the time this committee—

Senator Abetz—It seems like midnight.

Senator FAULKNER—It probably does to you, and for the Tasmanian Liberal Party it is midnight, and I am sure we are all very thankful for that. Everyone in this chamber knows—and I want to acknowledge this—that Senator Murray is one of the most expert senators in this chamber on the Commonwealth Electoral Act.

I know Senator Murray can tell the chamber that the Electoral Act currently provides that public funding is paid to the agent of the state branch of a party for which the candidate stood. I know that Senator Murray can explain why the Australian Democrats, with their national membership structure, are mentioned specifically in the act. But what is proposed here—and I come back to the fundamental point—is that this parliament, the Senate, is being asked to provide a mechanism for the Liberal Party to sort out how they organise their internal political finances. Of course, Senator Murray says that they are all in agreement. That is absolute claptrap. That is absolute nonsense because if that were true we would not be having this debate. Senator Murray must know that what he was saying to the committee was wrong and that what he said during the second reading debate was wrong.

Currently, under proposed section 299(5)(a) of the Commonwealth Electoral Amendment Bill (No. 1) 2002, a state division can lodge a notice with the AEC requesting that payments be made to the agent of another party. That is the simple mechanism that is in the Electoral Act now for parties to resolve how public funding is organised. It is a nonsense for a senator to come in here and say that everyone in the state divisions of the Liberal Party agrees, although they cannot use the mechanism that is provided under the act. We say it should be up to the political parties themselves to sort this out. If they cannot sort it out, it is no business of the Commonwealth parliament to sort it out for them.

I have said before, Mr Temporary Chairman Cook, that as far as the Australian Labor Party is concerned our national secretariat—our national executive on which you, of course, are a distinguished member—has reached agreement with all the state ALP branches. The agreement is that the national secretariat of the Australian Labor Party receives public funding from federal elections.

We are debating this issue because the federal secretariat of the Liberal Party has
not been able to reach the same conclusion, the same agreement, with its own state divisions. What disappoints me about this committee debate is that Senator Murray will not at least admit it. Just get up and say so, Senator Murray. Just get up and say that what you told this committee and what you told the Senate during the second reading debate was just plain wrong. Unfortunately, the Prime Minister, Mr Howard, cannot get his own house in order.

Senator Abetz—Ha, ha, ha!

Senator Faulkner—Well, he can’t.

Senator Abetz—And Mr Crean can?

Senator Faulkner—Well, of course. Unfortunately, Mr Howard has left electoral matters as the responsibility of Senator Abetz. We are delighted about that, I have to say. We do support a promotion for Senator Abetz. Although we were surprised when he became Special Minister of State—he was promoted to the ministry on Senator Newman’s retirement—we knew he had a very clever plan. Senator Abetz actually wiped out all of his opponents in the House of Representatives in Tasmania.

Senator Abetz, it was a very clever plan on your part to lose all five seats in Tasmania so that you could be the key Senate operative who, on the retirement of Senator Newman, could come through. We support you very strongly, Senator Abetz. I promise you that we will support your promotion to cabinet. You have our absolute support. Of course, Mr Howard, who apparently leaves these matters to you—whether it is you or him—cannot sit down with Mr Crosby, and Mr Crosby himself cannot sit down with the divisional directors of the Liberal Party and get them to sign a one-page authorisation allowing the Electoral Commission to channel funds to Menzies House and stop this nonsense. What a sorry day it is for the parliament that we have to debate legislation like this.

This is unnecessary legislation to deal with Liberal Party housekeeping. That is what it is: unnecessary legislation to deal with Liberal Party housekeeping. To try to solve internal problems in a political party by way of legislation is a misuse of the parliament. Again, I say through you, Mr Temporary Chairman, to Senator Murray: all political parties have problems, as you and I both know, Senator Murray. I know, Senator Murray, seriously that you would not come before this parliament with a proposition to fix any internal difficulties in the Australian Democrats. You would not do it, would you? And you acknowledge that you would not do it—I believe you; I accept that.

Senator Murray—Mr Temporary Chairman, I heard your interjection.

The TEMPORARY CHAIRMAN (Senator Cook)—I think you are mistaken, Senator Murray. I would not have made an interjection from the chair.

Senator Faulkner—It would be grossly disorderly if you did it while I was on my feet, Mr Temporary Chairman.

The TEMPORARY CHAIRMAN—If anything was understood from the chair, I am sure it was not meant.

Senator Faulkner—You just keep going along, Senator Abetz. As I say, we support your promotion to any job at all. You are doing a terrific job. We congratulate you on your role, particularly in the Tasmanian state election. Just keep going; you are doing a terrific job. The point I make in relation to Senator Murray and the Democrats I think is a fair one. I do not believe you would do this, Senator Murray, and it is very disappointing that you would join with the Liberal Party to put the fix in on this. To that extent, I think you are culpable. But you still have a chance: knock these amendments over or withdraw them and knock this bill over on the third reading.

Senator Murray (Western Australia) (8.52 p.m.)—Mr Temporary Chairman, since I misheard you, it does not matter if I remark that temptation is not the same as action.

The TEMPORARY CHAIRMAN—Quite right.

Senator Murray—Senator Faulkner, when I hear you in full flight I am always reminded of why I respect your contributions, because you are a great asset to the Labor Party. I say that straightforwardly. You know my opinion of you, which is a good one.
Senator Faulkner—I take back everything I just said about you. You are a very fine fellow.

Senator MURRAY—I just need to go through some responses to some of the things you have said. Firstly, this bill has been out and about for at least a year, and people who are interested in this matter have had ample opportunity to address it. It has been to a committee once. I have made remarks—way back, I recall—saying that the only basis on which we would ever look at this bill would be if the principles that it seeks to put into practice apply to all political parties. But we have to start with the essential proposition. You and some of your colleagues have had the opportunity—in fact, I think it is a great privilege—to serve on the government benches. One of the privileges that goes with being on the government benches is the right to introduce whatever legislation you like. Frankly, I would not have introduced half the bills this government has, and perhaps even less, but as an Australian senator I speak seriously to you when I say that I honestly believe that the government of the day is entitled to bring forward its legislation to have it debated.

Senator Faulkner—Of course.

Senator MURRAY—And you do not object to that. What you want us to do is reject this bill.

Senator Faulkner—You have the right or the capacity to vote against them.

Senator MURRAY—that is right. So the first proposition is: would I have brought this bill forward? No, I would not have, in their place, but I recognise it is their right to do so. So now I have to deal with it. So when I am dealing with it, what do I say? The first thing I say is, ‘Does it achieve principles of universality?’ No, it does not. I am trying to apply that principle. The second thing I say is, ‘Does it introduce any extra cost?’ As far as I am aware, it does not. The cost is the same prior to or after this bill. So what is at issue? What is at issue from Senator Faulkner’s perspective is that the parliament is being asked to debate a method of funding which, if I summarise him correctly, he believes could be internally resolved. He might be right. I do not disagree with that proposition. But the fact is that the government wants this dealt with, and I am looking at the principle of universality.

Through the chair Senator Faulkner then says to me, ‘Hang on, that’s a lot of claptrap that they all agree with it.’ I can only work on what I know. You all know that I would not tell you a fib, and I certainly would not tell one to you in this chamber. I will say to you again what I said: I have not had any—not one—member of any Liberal state executive, any Liberal president or any Liberal office holder ring me, email me or write to me either officially or unofficially. The only time I have had any concerns expressed to me about this bill was by two members of this parliament who raised the matter informally with me. I do not have any evidence that there is any internal Liberal Party concern about the mechanism which would allow more centralised funding payment. If you accept—and I am sure you do—that I am telling you the truth, your next proposition is: ‘Use your brains.’

Senator Faulkner—I accept that.

Senator MURRAY—Let me continue: ‘Why would they introduce such a thing if there genuinely was agreement?’

Senator Faulkner—You said you had been advised it was unanimously agreed.

Senator MURRAY—Yes, and I am repeating what I was advised. You then said to me—and I am paraphrasing again—‘Use your brains. If they all agree, you don’t need the bill.’ That is the proposition. You are then inviting me to speculate as to why they would bring in the bill. I think the minister should answer for himself, frankly, but they might be saying that in five years time they might not all agree or that there is some other reason. I do not know. All I know is that I have to deal with their legislation. I have adopted just two responses to that: ‘Is it going to cost any more?’ and ‘Should I apply the principle of universality?’ I know you do not like that.

Senator Faulkner—You are right there. That is clear, isn’t it?

Senator MURRAY—You have made your point. I cannot put a better answer to
you than my answer and my reasoning, such as it is. If it is inadequate, poor, deficient, unintelligent or any other paraphrase of what you said, I accept that is your judgment. But, against my judgment, they are entitled to put the bill up. It does not cost the Commonwealth any more money, nobody has complained to me and, providing it applies to all political parties, I am not really concerned. Is there anything I have left out of my answer that you wanted me to deal with as well?

Senator Faulkner—Senator Murray, you respond as you see fit.

Senator SHERRY (Tasmania) (8.58 p.m.)—It is not my intention to participate for any enormous length of time in this debate, because I have the flu for the second time in a short period of time. On observing parts of the contributions that have been made in the chamber on this piece of legislation, in the minister’s response in the committee stage I would like to hear whether or not the issue of the payment of the moneys that flow as a consequence of the votes received has been discussed at the Federal Council of the Liberal Party in recent times. I do not know whether Senator Abetz sits on the Federal Council of the Liberal Party—he may or may not. I certainly believe that Senator Abetz would have knowledge of the discussions that occur with respect to the Tasmanian representatives on the Federal Council of the Liberal Party. Senator Abetz might say it is none of our business, but here we have a bill which allocates the money to the national office and overrides the state divisions of the Liberal Party—we are dealing with the allocation of money to the federal Liberal Party.

Senator Abetz is a well-known advocate of state rights, amongst many other reputations. How does this fit in with his attitude to Tasmanian state rights, of which he has been a very strong advocate over a long period of time and in all manner of areas? It does surprise me, given that we are having to do the job for the federal Liberal Party of ensuring that the moneys they receive from an election are passed to their national office, that we should be interfering in a political party operation in this way. I would be very surprised if the Tasmanian representatives on the Liberal Party national council, or whatever ultimate executive body has the authority to deal with these matters, agreed to this particular piece of legislation. In fact, I think we have this legislation because the Federal Council of the Liberal Party could not be convinced by their national office, or by the Prime Minister or Senator Abetz or others who want the money to be paid direct to the national office.

Of course, I can understand the despair of the Liberal Party national office in wanting to make sure that not one cent goes to their Tasmanian operation. Looking at the track record of the Liberal Party in Tasmania in recent times and at some of the goings-on in the Tasmanian branch, why should they get one cent of public funding, given their lamentable performance over the last decade at least? I am not going to be too harsh on Senator Abetz; some of my colleagues have been a bit tough, but Senator Abetz and I go back a long way. Various allegations have been made against Senator Abetz, and I am not sure whether he has the power that is attributed to him.

Senator Abetz—I sometimes wish I did.

Senator SHERRY—I do recall your attempts, Senator Abetz, to knock over Senator Watson about 18 months ago.

Senator Abetz—If that’s true, it was a spectacular failure.

Senator SHERRY—It was a failure. Poor Senator Watson—I remember seeing the TV reports as he fronted up to the Liberal Party preselection panel down there at the local school in Ross or Campbell Town. Senator Watson had to produce a medical certificate showing that he could live for three more years to reassure the delegates that he could sit in the Senate.
for another three years. That is the extent to which poor old Senator Watson was driven by people like Senator Abetz. Poor old Senator Watson went into the preselection meeting waving his medical certificate. What a way to treat a senator!

Senator Murray interjecting—

Senator SHERRY—I do not know who signed the medical report, but what a way to treat someone like Senator Watson after years of dedicated service to the Liberal Party! Senator Watson and I sit on the Senate Select Committee on Superannuation. We have our differences, but he does make a reasonable contribution in that forum. He is one of the few senators—I cannot think of any other senators on the other side—who know much about superannuation.

Senator Abetz—Tell us about the surcharge!

Senator SHERRY—I would be happy to debate the surcharge any time you like, Senator Abetz, because I have seen some interesting research on that, but that is a debate for another time and I would quite properly be ruled out of order by the chair. Looking at the poor state of the Tasmanian Liberal Party, Senator Abetz has referred on occasions to a ‘six-pack’—Senator Abetz of course knows the story—and there have been various comments about the six-pack and the beer allocations to members of the Liberal Party in Tasmania. They got seven elected at the last state election, not six. The story when they were going to get six was that there would be one beer can for each Liberal member of the state parliament. How do you allocate the beer, when there are seven elected, between six of them? They will fight over that like the divided, discredited, dispirited team that they are.

Senator Murray—We have the same problem.

Senator SHERRY—I am glad you interjected on that; I was not going to go on to the Democrat problems. Senator Abetz was involved in replacing Mr Gray with Mr Groom—we know he played a role there. He played a role in replacing—

Senator Abetz—And did we win a landslide election in 1992?

Senator SHERRY—We are just talking about the role you played. Mr Cheek replaced Ms Napier, the previous leader, and Senator Abetz had a role in that.

Senator Abetz—No I didn’t.

Senator SHERRY—I know you did, Senator Abetz. I can recall what you did to Senator Townley, and that is going a long way back. You could not read a more critical report of any political party—even the Democrats in their current state—than the Crosby report on what we have in Tasmania. The Tasmanian branch of the Liberal Party are referred to by Mr Crosby as cannibals—‘cannibalism’ was rife. Even the Democrats, with their current problems, have not had that description attributed to them—I certainly would not attribute it to them—but here we had Mr Crosby, the National Secretary of the Liberal Party. At least he called a spade a spade and recognised the problems for what they are. It is a very divided, dispirited, poor performing party in Tasmania. I do not blame Senator Abetz totally.

Senator Abetz—That’s very gracious; unlike Robin Gray.

Senator SHERRY—Really, Senator Abetz, if the others can out-organise someone of your quality in Tasmania, what does it say about the Liberal Party?

Senator Abetz interjecting—

Senator SHERRY—We are going back to student politics. That is a long way back; that would be a couple of speeches in itself. I remember those votes on voluntary student unionism, Senator Abetz. But that is right off tonight’s topic. It is amazing that other people who are lead players in the Liberal Party in Tasmania are not able to counter the vociferous and decisive influences of Senator Abetz. They cannot get their act together. I bet you are happy about that, Senator Abetz—except on that one occasion in recent times when Senator Watson got his medical certificate out, flashed it around and withstood the challenge that you were supporting. Why would you allocate moneys to the Tasmanian branch of the Liberal Party? Why would Senator Abetz, who has been a well-known and, on many occasions, very pas-
sionate advocate of states rights, as minister support a bill that overrides states rights—

Senator Abetz—It is all about cooperative federalism.

Senator SHERRY—We do not see much evidence of cooperation in any branch of the Liberal Party around this country. I am not particularly familiar with the details of the Queensland branch of the Liberal Party. Some members opposite have touched on some of the internal debate about restructuring the Labor Party. But what strikes me is how any political party could allow people—and this happens in Queensland apparently—to be shifted from one electorate to another. You can be a member of a Liberal Party electorate no matter where you live in Queensland, no matter where you live in Australia and no matter where you live overseas. You can live in Hong Kong, apparently. You can sign people from all around Queensland, all around Australia and all around the world into one electorate in Queensland. If you are the ruling clique in Queensland, you can shift those members, having disposed of the member you do not like, into the next electorate. I find that a truly astounding way in which members of parliament can either be threatened or stood over or moved on.

There is nothing like that in the Labor Party. I am well aware of some of the difficulties the Labor Party has had over a long period of time in respect of some preselections that have occurred from time to time. But there is nothing like what we have seen in Queensland in the Labor Party. It is a pretty sorry picture when you look around the country: Tasmania, Queensland and Western Australia. I note that Senator Ian Campbell has just entered the chamber. He was a well-known follower of former Senator Noel Crichton-Browne.

Senator Ian Campbell—Follower?

Senator SHERRY—I think I am being gentle.

Senator Ian Campbell—I think he followed me!

Senator SHERRY—We had better make sure that a Hansard copy of Senator Ian Campbell’s comment is sent to former Senator Noel Crichton-Browne. I do not think he would recall it quite that way. Regarding the well-known problems in the Western Australian branch, I have heard it said by Liberals that former Senator Noel Crichton-Browne was the nearest that they ever came to having a person like Graham Richardson in the Liberal Party in Western Australia. You have to admire Senator Crichton-Browne. He was certainly an organiser from what we have heard. He went around to all those small rural branches, to the mining communities and the rural communities in Western Australia. He was a very active recruiter and learned the value of keeping in contact with these small rural and regional branches and of the vote weighting that it brought if you could influence and effectively control them.

I am not familiar with what goes on in the Liberal Party in South Australia. I know that in Victoria they have recently had some problems. The Liberal Party in New South Wales had a change of leader last year and have been out of power for some six or seven years. If you look around the country—and many of my colleagues have commented on this in greater detail than I have—many of my colleagues have commented on this in greater detail than I have—they are in a very sad and sorry state. You do have to ask yourself: why should they get any money; why should any of these state branches get any money? Their performances have been so poor in the last five or six years. But there is an important principle here. A political party should determine through its internal rules processes—through its national council, its national executive—what is an appropriate way in which to allocate the moneys that come as a result of public funding. Why should the parliament have to determine this matter for the Liberal Party? We would like to know whether in fact it is simply too hard—that the Liberal Party cannot sort it out internally. They have had discussions at their council meeting. I hope Senator Abetz will tell us about the debates that have occurred at the national level and why they have not been able to get agreement. Of course, the Prime Minister, the national office and Senator Abetz want to deal with it via the parliament. They believed, at least at some point in time, that that was the easiest way to override the views of at least some of their states that they
could not convince should pass over the money via a resolution of their national council or their national executive, whichever body has the appropriate authority to deal with this matter.

Senator ABETZ (Tasmania—Special Minister of State) (9.13 p.m.)—A few matters have been raised by Senator Sherry. One thing that I have learned in politics is that if you win you don’t gloat; if you lose you don’t moan. Senator Sherry’s gloating in this recent contribution does him no good.

Senator Sherry—I’m just pointing out the record.

Senator ABETZ—It is quite untidy for you to behave in that way; it is not edifying. Indeed, with great respect to you, I can hardly see how some of the discourse was relevant to the matters that are before us. If we are to debate this issue and allow the trawling of everything that happens in every state division, and all the allegations, which are quite unsubstantiated, we can trade backwards and forwards. I can ask Senator Sherry and the Tasmanian Labor Party as to the circumstances in which Senator Murphy was forced out of the Australian Labor Party. I could ask why Duncan Kerr was rejected for the front bench, why his request for endorsement for the state was knocked back and why his resignation from the federal parliament was rejected. Do not pretend that everything is rosy in the Labor house when it is not. I think that the Australian people do not find these sorts of debates very edifying. They would be horrified to be told how much it costs to run this Senate on an hourly basis and to witness the filibustering that has occurred over the last few days.

In relation to these amendments, Senator Sherry was a parliamentary secretary, part of the Executive Council, when in 1995 a specific amendment was made for and on behalf of the Australian Democrats, and the Labor government at the time helped arrange it. Former Senator Cheryl Kernot in her speech thanked the Australian Labor Party minister’s office for his cooperation in the matter. Senator Sherry was there. This high principle that the legislation should not be amended was not there in 1995 when he was part and parcel of doing exactly that which he condemned today in 2002. The only difference is that then he was in government and now he is in opposition and, as part of an unprincipled opposition, he will oppose everything that comes before this chamber. That is unlike us: when we were in opposition in 1995 we saw the need for the Australian Democrats to have a specific provision in the legislation and as a principled opposition we supported those amendments. I would encourage the Australian Labor Party for once to take a principled stand on an issue. But it was the same when they were in government. They supported privatisation after privatisation; suddenly they are in opposition and privatisation is somehow unprincipled.

I was asked about the government’s amendment. I am not sure how this is actually relevant, given that we are debating, as I understand it, the Australian Democrat amendments to the bill. Nevertheless, as the legislation is at the moment, either all the money has to go to the national secretariat or none of it. We are a party of cooperative federalism and what our amendments will allow is for a percentage of the funds to go to the national body and a percentage to the state bodies. The legislation at the moment does not provide for such a possibility. We, as a liberal party and being cooperative federalists as we are, think that that would be very beneficial for the Liberal Party. The law at the moment does not allow it. For the Liberal Party it makes good sense, and the Australian Democrat amendments to the legislation suggest that other parties ought to be able to avail themselves of a similar procedure.

Senator BROWN (Tasmania) (9.18 p.m.)—I asked Senator Abetz a little earlier tonight if he could explain his statement that the Australian Greens is not federally registered as a party. Where did he get that information? He said earlier tonight that the Australian Greens had a donation of $90,000 from the Commonwealth Bank. He was comprehensively walloped on that one.

Senator Abetz—Tell us about the fire bombing of the—

Senator BROWN—I am sorry—tell us about what?

Senator BROWN—What an extraordinary thing. I am pleased to have that interjection on the record. Not only is it disorderly; it is again the sort of fulmination coming from this minister which makes one question his ability to take a level-headed part in a debate like this. I was saying that, a little earlier tonight, Senator Abetz was found to be making statements which were untrue and which were very short of the mark as far as a minister of the Crown leading a Senate committee debate would be expected to behave. He has made this extraordinary statement. He is talking in a debate at the committee stage in which an Australian Greens senator is taking part and he says that the Australian Greens is not a federally registered party. One would think that logic would say, 'How did two Australian Greens senators come to be here if that is the case?' I asked Senator Abetz to explain the statement that the Australian Greens is not federally registered, and I ask him again to explain it. And I will continue to ask him until he comes forward with an explanation because I simply do not understand it.

Senator ABETZ (Tasmania—Special Minister of State) (9.21 p.m.)—It is very unfortunate when you have somebody seeking to make contributions to this sort of legislation when they do not understand it. We already have one of the Greens amendments with an amendment, as I understand it. Undoubtedly there will be others—they will have to re-amend their amendments because they do these things in a rush without appropriate thought and consideration.

In relation to this matter, there are two aspects in relation to the Commonwealth Electoral Act. The AEC’s understanding of the arrangement between the various Green parties and the Australian Greens means they would not be affected by the Democrat amendments because they do not have a federal secretariat and a state/territory branch structure. The AEC says:

What they have is an alliance of several different Green parties under the banner of Australian Greens, because the Australian Greens have also provided the necessary proof for them to qualify to appear in the register of political parties as a registered party.

I have just read out a note supplied to me by the Australian Electoral Commission staff. That was the advice I had earlier in the evening. They have now confirmed this. While Senator Brown makes these sorts of derogatory comments and personal attacks on me, he is, by proxy, doing that to the very dedicated staff of the Australian Electoral Commission, and they deserve better.

Senator BROWN (Tasmania) (9.23 p.m.)—Oh dear! What a minister! There is a very strong convention in here that we do not bring advisers into this, and I have not done that. If I were in the minister’s chair, I would make sure that, above all, I was defending them if they ever did come under attack. But here we have a minister who cares to make statements in here and then transfer the statements he has made, or the onus for them, to somebody else. I do not accept that. We are all responsible for what we say in here. I can put this matter to rest. I am not going to pursue it further except to say that, earlier tonight, Senator Abetz said that the Australian Greens are not federally registered. He has now told the chamber what is glaringly obvious to everybody else in here, and that is that the Australian Greens are federally registered. In an important debate in here on fundamentals like that, the minister ought to get it right, because he makes himself very vulnerable to questioning of his ability to grasp the legislation and to know what he is talking about. As far as the Australian Greens are concerned, we are a federal establishment. The branches of the states and territories came together to establish the Australian Greens in 1992. We have celebrated our 10th birthday and we are going beautifully at the moment. We are very pleased that we are federally registered. It is a different system to what Senator Abetz understands the Liberal Party system to be, but then I am not too upset that we are somewhat different to the Liberals in structure and in policy direction.

Finally on this particular matter, I have to agree with Senator Faulkner: I have not
heard the argument that would support this amendment from Senator Murray. I do not follow the logic that says it is required. When Senator Abetz argues that it is necessary, he brings into the argument the fact that the state and territory branches of the Liberals have agreed that this legislation is necessary but that they are baulked by this legislation. I think it has only emerged tonight that the whole rationale being put forward by Senator Abetz for this legislation is that some arrangement could be made between the branches and the federal structure for a division of the funds. It was not that the funds go to the federal party and then are divided up, which is what I understood it was. Now we are saying that, if the Liberals want to make a split between the funds at state and federal level, this legislation will give them the ability to do that. I ask: if the cheque goes to the state parties and they agree to give it to the federal party, why don’t they then, with the goodwill that is obviously there, say, ‘But let us split it two to one,’ or, ‘Let us split it four to three,’ or whatever it might be? There is something missing here. There is something going on behind the scenes in the Liberal Party that is not being evidenced to this committee. What is the impulsion behind this legislation? There is no logic in Senator Abetz’s argument which convinces me that Senator Murray’s amendment is necessary. Senator Murray has very kindly assisted to help the Liberals to come forward with a better formula, but Senator Murray himself says he does not know what it is that has motivated the Liberals to bring this legislation into here.

Senator Faulkner—He’s holding out on us.

Senator Murray—No, I’m not holding out on you.

Senator BROWN—No, I think Senator Murray is simply saying that he can improve the government’s legislation. But we still do not know why the government has this legislation here. It would help us move on greatly if Senator Abetz said, ‘This is what’s going on within the Liberal Party. It’s a trouble. We can’t get round it. Here’s why we need your assistance on this legislation.’

Senator MACKAY (Tasmania) (9.28 p.m.)—A lot that has been said here today has been a bit of a stretch. Senator Abetz says that people in here are making outrageous allegations et cetera, but let us be honest: Senator Abetz is one of the worst offenders in this. Let us not try and put too fine a point on it. I raised a serious issue earlier today and I want an answer. I made it very clear when I raised this issue earlier today that I did not believe it, but I have not heard a refutation from Senator Abetz. So I will go through it again, although I do not think it is true. The issue that I raised earlier today was about something that is happening in Tasmania at the moment. In the state election a candidate called Brett Whiteley distributed how-to-votes that were in breach of the Tasmanian Electoral Act. Mr Whiteley knew they were. About 3,000 of these illegal how-to-votes were distributed before their illegality was exposed. In his interview with the police, Mr Whiteley said that he had planned this for several months. It does take several months to put together a how-to vote. Those of us who have put together how-to votes—and I have put together many how-to votes—know that it does take a long time to organise.

The reality is that Mr Whiteley knew that he was breaching the act. When he appeared in court fairly recently he pleaded guilty. He just said, ‘It’s a fair cop, gov—I am guilty; I knew it.’ I suspect that was in fact an attempt to avoid a jury trial because, if there had been a jury, a lot may have come out in relation to this. I have been advised that a number of Liberal Party members in Tasmania were involved in this. One of the names that came up was Senator Abetz’s. As I said earlier today, I do not believe that he was involved. What minister would be so stupid as to involve himself or herself in a serious breach of the act? However, I think I am doing Senator Abetz a favour here, because it is common gossip in Tasmania that this is the case. Senator Abetz has the opportunity here today to say, ‘I never had any discussions with Mr Whiteley in relation to this matter. I was not aware of it until the point at which it came to the Liberal Party state executive.’ I am sure that that is the case, but I would like Senator Abetz to get up and indicate that and
then that will be the end of the issue—it will be on the public record.

The second issue that I would like to raise—and I have not received a response to this either—is a direct recommendation arising out of the jolly good read called the Crosby report. As I said earlier today, anybody who has anything to do with politics or campaigning really ought to read it, because it is a hoot. One of the recommendations that came out of the Crosby report was on the ABC and I would like the minister to have the opportunity to explain this as well. The recommendation was that, because of the parlous nature of the Liberal Party in Tasmania, Senator Abetz should get an extra staff person.

Senator Robert Ray—Reward failure? It couldn’t be true.

Senator MACKAY—Absolutely. Senator Ray. I am not really sure how you get from ‘Liberal Party disaster—here is a report’ to the Special Minister of State, minister for these matters, getting an extra staffer to sort it out. I said earlier that the person concerned is John Shaw—he is a very good fellow. He used to work for Senator Harradine. I would say good luck to him for taking on this task. But I want to know the basis upon which he got the job. I understand that there is some largesse and flexibility around these things, but it is not apposite for the Federal Director of the Liberal Party and the Prime Minister to say to Senator Abetz, ‘Here is an extra staffer because you had such a disastrous state election.’ I think that the minister ought to clarify that as well, because that story was running on the ABC and we have not had a refutation of it.

Senator Faulkner—The ABC is a very good source!

Senator MACKAY—The ABC is a very good source, Senator Faulkner. I understand that it was leaked to the ABC—

Senator Faulkner—Who by?

Senator MACKAY—I do not know, Senator Faulkner. There are so many leaks in the Liberal Party in Tasmania at the moment it is like a colander. That is the second issue I want a response to. Given that Senator Abetz is the responsible minister, there ought to be some clarification about whether the extra staff person is being funded by the Liberal Party. I doubt it—I do not think they could fund a round of drinks in a pub at the moment in Tasmania, never mind an extra staff person. Who is paying for this extra staff person? Is it the Liberal Party? Is it the government? What is this person being paid to do? According to Mr Crosby, this person is there to help Senator Abetz and the Liberal Party in relation to electoral matters in Tasmania. These are two key issues that deserve responses. As I have indicated, I do not believe the first one. But, Senator Abetz, I think that it would be a good idea if you clarified it. The second issue was in the media, so perhaps the minister would clarify that one for us. If it is permitted for federal directors or national secretaries of parties to go around saying, ‘You had a terrible result, here’s an extra staff person in government,’ and to be so blatant about it then, in the interests of a level playing field, let us all hear about it.

I want to advise the chamber that, since I gave the speech this morning, this newly-elected member of state parliament Brett Whiteley has in fact been given a bond after admitting that what he did was incorrect. I have the how-to-vote here if anybody is interested in having a look at it. I have to say: what kind of a party would do this? I would seriously contend that this would not happen in the Labor Party in Tasmania. What kind of a party allows somebody—Brett Whiteley—to go around producing dodgy how-to-votes, which he knew several weeks beforehand were illegal, and then writes a report that says that people should have discipline in relation to their activities?

Several recommendations in the Crosby report go straight to this. They say that it was unapproved et cetera, yet they leave him there. That is what the Liberal Party in Tasmania is going to do. This guy has said that he knew his actions were illegal, has pleaded guilty and has been sentenced—and he is still there as the state member for Braddon. What is the Liberal Party doing about somebody who admits they knew they were culpable and that they knew months beforehand that they were breaching the act? The Liberal
Party is saying, ‘Well done’—pat, pat—you can stay there. I do not think that anybody could seriously defend that sort of action. I would be very interested to hear the minister attempt to defend it. I could be wrong, but I am pretty sure that I talk on behalf of the Labor Party in Tasmania when I say that we would probably have a bit to say about that. I am not sure that somebody who had done that would survive with their kneecaps intact, to be totally blunt. I cannot say the same for Greg Barnes.

Those are the two issues I want clarified. I have to say that, personally, having somebody who has actually been sentenced for committing electoral fraud and not doing anything about it internally in relation to the Liberal Party reflects on every single member of the Liberal Party in Tasmania. I think that is something the minister should address, and I will probably have a little bit more to say about it once the minister has addressed those two issues.

Senator ROBERT RAY (Victoria) (9.37 p.m.)—I was very interested to hear the comments of my colleague Senator Mackay, and I thought that she had not quite finished going over those points. Seeing that the minister is not going to respond, we might ask for a further elaboration. I know how interested you were for part of the time, and so was I. It would provide Senator Mackay with an opportunity to further pursue these issues.

Senator ROBERT RAY (Victoria) (9.37 p.m.)—I was very interested to hear the comments of my colleague Senator Mackay, and I thought that she had not quite finished going over those points. Seeing that the minister is not going to respond, we might ask for a further elaboration. I know how interested you were for part of the time, and so was I. It would provide Senator Mackay with an opportunity to further pursue these issues.

Senator Abetz—Mr Temporary Chairman, I rise on a point of order. The bill that we are debating is the Commonwealth Electoral Amendment Bill (No. 1) 2002. The amendments currently being discussed were moved by the Australian Democrats. How or whether somebody breached, for example, the Tasmanian Electoral Act is, quite frankly, not within the purview of the discussion here this evening. There has been canvassing of all manner of things, but they do not seem to be relating to the topic of this bill. I invite you, Mr Temporary Chairman, to draw those that seek to make a contribution to this bill and the amendments to the actual provisions of the bill and not allow them to go on these frolics of their own that are completely un-related to the substance of the legislation before us.

The TEMPORARY CHAIRMAN (Senator Lightfoot)—Thank you for your invitation. There is no point of order. The bill, as its title depicts, is quite wide ranging. I am sure, in any case, that if Senator Mackay speaks again she will have more specific things to say with respect to the bill.

Senator MACKAY (Tasmania) (9.39 p.m.)—I was not going to speak again, because I assumed the minister would answer. I have to say to Senator Abetz—

The TEMPORARY CHAIRMAN—If you could say it to the chair, it would be most appropriate.

Senator MACKAY—I have to say to you, Chair, that we need Senator Abetz to clarify this issue. He has now had two opportunities to clarify the issue in relation to Brett Whiteley. He has indicated by body language that he did not believe that he was involved. We just need the minister to get up and say, ‘I was not involved in it. I did not know anything about it and I had no discussions with Mr Whiteley in relation to it.’ It will leave a question mark in people’s minds about whether or not he was involved.

Senator Abetz—This is the politics of sleaze.

Senator MACKAY—Senator Abetz interjects that it is the politics of sleaze. I have already made it very clear that I do not believe anybody would be so silly as to knowingly go in and deliberately assist somebody else breach an act, and then that person pleads guilty and is sentenced today. Senator Abetz is not doing himself any favours. It is common currency over here on this side of the Senate that this has occurred.

The TEMPORARY CHAIRMAN—Senator Mackay, you should relate your contribution to Senator Murray’s amendments rather than the body of the bill. Could I ask you to deviate now and then so that your contribution does somehow relate to Senator Murray’s amendments.

Senator MACKAY—While we are talking about federal-state relations, which is the point of the amendment, Lynton Crosby, as the Federal Director of the Liberal Party,
recently came to the state of Tasmania and undertook an inquiry into it. One of the things in the Crosby report relates to the issue of Brett Whiteley.

Senator Abetz—How is this relevant to the bill?

Senator MACKAY—I have to say to Senator Abetz again: you have to take the opportunity to get up here and clarify this situation. The other issue on the Crosby report that the minister has not referred to is the issue of the additional staffer. It is important for, and incumbent upon, the minister to clarify this matter and I ask him to do so. As far as this side of the chamber is concerned, silence is no defence to this matter. Mr Whiteley himself went in and pleaded guilty. The allegation is that the minister was somehow involved. As I said, I do not believe it, but I think it is very important that he clarifies that.

The second matter relates to the additional staffer that I suggested before may be an issue. It is utterly germane to refer to the report prepared by Mr Crosby, because one of the recommendations in the Crosby report in relation to the party in Tasmania was an additional staff person for the federal minister in Tasmania. So I do not believe it is out of order; I think it is entirely germane.

In the time remaining to me, I want to bring the chamber’s attention to some aspects of the Crosby report. It is a bottler of a read and I recommend that everybody have a look at it. There are some very good quotes in the report and I would not mind seeking to table it at some point.

Senator Faulkner—Have you shown it to the minister at the table?

Senator MACKAY—I will do so, Senator Faulkner.

Senator Faulkner—Because I don’t think he would have seen it.

Senator MACKAY—That is true. I will show it to the minister when I get the opportunity, to see whether in fact the minister is aware of the report that was done by the Federal Director of the Liberal Party into the Tasmanian branch. I do not know whether Senator Abetz has read it or not. As I understand it, the recommendations have all been released to the media, so it is probably not a bad idea to release the entire report to the Senate because it is basically out there. One of the things that Mr Crosby says is:

The Tasmanian Liberal Party must take the middle course on policy and not be seen to be driven by ideology at the expense of relevance.

That could have been written about a number of senators in this chamber, including Senator Abetz. As I said earlier today, when you are talking about relevance and who the people of Tasmania actually elect, you just have to look at the previous occupations of the current Premier of Tasmania, Jim Bacon. The current Premier of Tasmania used to be, previous to being a member of parliament, the secretary of the Tasmanian Trades and Labour Council, as I understand it. He was resoundingly elected yet again by the people of Tasmania, despite the antiunion rhetoric from the other side. Then you go to the Deputy Premier of Tasmania. His previous job was, yet again, secretary of the Tasmanian Trades and Labour Council. So for Senator Abetz to run one of his narrow, ideologically driven—

Senator Abetz—Mr Temporary Chairman, I rise on a point of order going to relevance. How on earth is who got elected in the state parliament and what their previous occupations were relevant to the Democrat amendments to this bill?

Senator Faulkner—Mr Temporary Chairman, on the point of order: I do not think that the minister at the table has been following the debate, because if he had been he would understand that absolutely germane to the issue before the chair is the question of the relationship between state divisions or state branches of political parties and their rights and entitlements in relation to electoral funding. I do not want to make a long case about this, because I think you will support the general thrust of the point of order and this, of course, has been crucial in quite a number of contributions—I think they have been rather good ones—that have been made by opposition senators on this bill. Senator Mackay is in full flight, I think it is fair to say, as she was talking about the one—

Senator Abetz—That is about as full as she gets.
Senator Faulkner—Wait a minute, you have made your spurious point of order and I am now speaking to it. Senator Mackay was making a very sound case in relation to a particular state branch of a particular federally registered political party. I make that contribution to the point of order, but I also say on the same point of order that I think it was probably just filibustering from the minister at the table in an attempt to waste time. The minister found Senator Mackay’s comments particularly hurtful. If I were the minister I would have found them quite hurtful too, because they were really banging the point home.

The TEMPORARY CHAIRMAN—I think you have made your point of order, Senator Faulkner. In considering the point of order, I ask that Senator Mackay make as unambiguous as possible the relevance to the bill. Therefore, there is no point of order. But if you could make it more relevant, Senator Mackay, I am sure that we would then stop these interruptions to your speech ‘in full flight’, as Senator Faulkner said, and we will all be able to get home at some stage tonight.

Senator Faulkner—Mr Temporary Chairman, I rise on a point of order. With respect, Mr Temporary Chairman, either the point of order that was taken by Senator Abetz is upheld by you or it is not. You gave a very qualified ruling and I am not clear on whether you are suggesting that Senator Mackay was in order or not. I think she was, and I would like you to rule without any qualifications that the point of order taken by the minister at the table was spurious nonsense.

The TEMPORARY CHAIRMAN—I do not intend to rule that it was spurious nonsense. I call Senator Mackay.

Senator Mackay—The minute and a half I have left available to me will not allow me to traverse the issues that arise out of the Crosby report, because they are very, very serious issues. I want to tantalise the chamber with a couple of critical quotes from this report. There is a section on page 15 headed ‘The Party’s Strategies’—that is, the Liberal Party strategies. Then there is another heading that reads ‘The Liberal Strategy’. The first sentence, which is in isolation, says, ‘There was no real Liberal campaign strategy.’ So say all of us, I suppose, in relation to what happened with the Liberal Party and Tasmania. All I have got to say is that I do not know how much you are paying Mr Crosby, but I would have a look at it again because to come up with stuff like ‘The Liberal Strategy’ and ‘There was no real Liberal campaign strategy’ you would not have to be Einstein to work that one out. I will entertain the chamber with more extracts in due course.

Progress reported.

ADJOURNMENT

The PRESIDENT—Order! It being 9.50 p.m., I propose the question:

That the Senate do now adjourn.

New South Wales: Disabilities Education

Senator Tierney (New South Wales) (9.50 p.m.)—I rise tonight to speak on the disgraceful state of disabilities education under the Carr government in New South Wales. Recently, the Senate Standing Committee on Employment, Workplace Relations and Education began its hearings. In Sydney, the following tragic situation came to light. Imagine yourself in this situation: your daughter is 11 years old and has multiple disabilities which include mild autism and severe chemical allergies; if she walks into a freshly painted classroom she stops breathing. Because this young girl did not fit the requirements to attend a special school in New South Wales she has been attending a comprehensive high school all her life. Due to the lack of state funds, the school finds it very difficult to provide for her special needs and she is often moved from various school situations and environments that often make her ill. Is that an appropriate learning environment for a student? Obviously it is not, given that it has already held her back two years.

There are so many families in our society, a number of which I have spoken to, that must face the day-to-day horror of seeing their child with a disability go off to our state school system with very little recognition and very little support. Many families with children who have a disability spend much of their lives fighting losing battles against state
bureaucracies. Often, the community is unaware of the extent of the problem. If your child has a disability it is all a bit hit-and-miss in New South Wales. More than half of New South Wales teachers have absolutely no training in disabilities education—it is really pot luck for the parents and for their children.

Shedding some light on this important area of education is a current Senate inquiry into the education of children with disabilities which met in Sydney earlier this year. The New South Wales government treated this serious inquiry disgracefully by producing a lousy 3½-page document which did not arrive until the afternoon before the hearings. Are our children with a disability in New South Wales only worth 3½ pages? Given that the New South Wales Department of Education and Training had been aware of this inquiry since late last year, I could not help but expect 3½ pages of gold. What I actually read was waffle. The document contained no facts, no figures, no strategies and no assessment details. The submission was a complete joke. By submitting this inadequate document, the New South Wales government have proved that they are derelict in their duty to provide for the education of these children and for appropriate training for their teachers.

Life has dealt children with disabilities a very difficult life experience, and the last thing they need is for a state government not to exercise a proper duty of care. What the inquiry did hear was clear evidence from groups such as the Australian Parents Council, AUSPELD, Isolated Childrens Parents Association, the Royal Institute of Deaf and Blind Children, the Autism Association of New South Wales, the Australian Association of Special Education and the Australian Guidance and Counselling Association, who gave the true story. They outlined a disturbing picture in New South Wales of the neglect of our children with disabilities. No wonder the Carr government tried to hide the submission from these groups and the situation from our community.

The overwhelming response from all parties has pointed out the following shortcomings in disability services education in New South Wales under the Carr government: no systematic program to test whether children have a disability; virtually no pre-service and in-service training of teachers in the identification of such children and how to teach them; lack of support services for children with disabilities in mainstream classrooms; insufficient coordination in the management of such children when they move between sectors—for example, from preschools to primary schools. Our children with disabilities are being seriously short-changed by the New South Wales state government, which seriously needs to look at its budget priorities.

Australian Women’s Soccer Association

Senator LUNDY (Australian Capital Territory) (9.54 p.m.)—Tonight I wish to talk about some very serious and alarming issues relating to the Matildas, Australia’s representative women’s soccer team. A number of serious allegations regarding the financial and ethical behaviour of the Australian Women’s Soccer Association and Soccer Australia have been brought to my attention. These issues, I believe, warrant inclusion in the proposed inquiry into soccer in Australia which the Minister for the Arts and Sport, Senator Kemp, announced in mid-August. I have written to Minister Kemp requesting him to investigate these matters as they relate to the financial and ethical management of women’s soccer. I have requested that the minister investigate the expenditure and accounting of public and private funds which were allocated to the Australian Women’s Soccer Association in the lead-up to the 1990 World Cup and the 2000 Sydney Olympics.

The minister’s proposed inquiry into soccer should also investigate allegations that young female athletes were duped into appearing topless for a foreign television advertisement. It is important for the integrity of the sport that we know who duped these girls and where the funds have gone. It is important that allegations that female athletes were pressured into appearing in this sort of ad because they were told the sport needed the revenue be investigated.

There are many questions that remain unanswered, questions which I believe the government’s inquiry should address for the
good of women’s soccer. These questions include: did the Australian Women’s Soccer Association inform the national coaches of the Matildas that the toothpaste ad to be filmed in Perth required young female athletes to appear in only a flesh-coloured G-string; were all the members of the Matildas made aware that the ad was to take place or just a select few; what was the process for picking players for the ad; and who decided which members of the Matildas would be required to take part? Most importantly, why was it that players who were selected to take part in this ad were not told beforehand that they would be required to appear without clothes? I am also gravely concerned that some of the Matildas may have been intimidated into signing a contractual agreement for the ad after the event.

As women’s soccer received substantial government money through the Australian Sports Commission, did the CEO, the high-performance manager, the Australian Women’s Soccer Association board, the Australian Institute of Sport or the Australian Sports Commission know prior to the ad that the girls would be required to take their clothes off? If so, did the Australian Sports Commission or the Australian Institute of Sport endorse the ad? Surely, someone involved in women’s soccer must have signed an agreement for members of the Matildas to appear in this ad knowing full well what it entailed.

What were the Australian Women’s Soccer Association board members doing at this time? If they were present when the ad was being filmed, surely they were aware that some of these young girls were unhappy with being required to appear naked. If players were pressured into participating, then this must also be investigated as part of the government’s inquiry into soccer in Australia. The Australian Sports Commission and the Australian Institute of Sport also have questions to answer in relation to the Matildas. Knowing that women’s soccer was experiencing financial difficulties, did either the commission or the institute endorse the use of nude advertisements as a legitimate way of raising funds? What action did the Sports Commission take if and when they were informed of the players’ concerns?

I now want to turn to financial irregularities involving women’s soccer. The Australian Women’s Soccer Association was recently liquidated in the ACT Supreme Court owing its lawyers $70,000. This is unbelievable when you consider the amount of government funding women’s soccer has received. In the past few years, women’s soccer received $1.15 million for the financial year to June 2000, $710,000 leading up to the Sydney Olympics, $100,000 from the toothpaste ad, income from the Matildas calendar and ongoing grant moneys. How is it then that by July 2002 the Australian Women’s Soccer Association is wound up in the Supreme Court with a debt of $70,000? How is it that the Australian Women’s Soccer Association allegedly informed the Matildas’ coaches in March 2000, just prior to the Sydney Olympics, that only a budget of $28,000 remained? Where did the funding they received through the Olympic athlete program in the years leading into the 2000 Olympics go? The Australian Sports Commission should say whether or not they are satisfied that all the funding moneys were expended appropriately. It may be appropriate that an itemised breakdown of all expenses relating to the Matildas be provided to the proposed inquiry into soccer.

During my inquiries I have also come across matters that, while not directly related to the issues I have raised, are connected to the broader issue of management and probity. I have, with the agreement of the people who raised these matters with me, written to the Australian Federal Police and the Australian Customs Service, asking them to look into these matters, as they may be of a criminal nature. Accordingly, it is not appropriate for me to talk further about these matters at this time. If Senator Kemp’s inquiry is to be open and genuine, it must include the following terms of reference: the expenditure and accounting of public and private funds allocated to the Australian Women’s Soccer Association in the lead-up to the 1999 World Cup and the 2000 Olympics and beyond; second, the process by which the Australian Sports Commission, the Australian Institute
of Sport, the AIS high performance manager and the Australian Women’s Soccer Association organised and authorised advertisements for the purposes of fundraising; and finally, the procedure by which concerns and complaints raised by players and/or coaching staff involved with the Matildas were dealt with by the Australian Sports Commission, the Australian Institute of Sport and the Australian Women’s Soccer Association. I urge Senator Kemp to take these matters seriously and to act accordingly by including all of these matters in the terms of reference for his inquiry into soccer in Australia.

Australian Democrats: Leadership

Senator GREIG (Western Australia) (10.01 p.m.)—I am very honoured to have been appointed as interim leader of the Australian Democrats. At the same time, I am very saddened by the events that have brought us to this point and to the change of leadership in my party. I believe we must strive strongly for stability at this time. I want to start with an apology to Democrat members and to Democrat voters, given that they have had to endure the turmoil of recent months. To them I say sorry. I also specifically want to express and extend apologies on behalf of the Democrats to our founder, Don Chipp, who was in intensive care recovering from surgery when he heard on the television the news that Senator Natasha Stott Despoja had resigned. Don has pointed to certain egos in the party room as being the problem. He, more than anyone, knows that there have been many occasions over the last 25 years when critics and commentators have declared that the Australian Democrats are gone and are done for. However, the Democrats have survived crises before and we will again. I am committed to bringing unity, seeking an end to infighting, and restoring the focus to our policies and legislative achievements. I assure members of the public that the Democrats are continuing to focus on legislation before the parliament, including the electoral amendment bills, the higher education amendment bills, the proceeds of crime bills, the ASIO legislation, amendments to the Marriage Act and so on.

I realise that the media coverage would suggest that we have been focused only on internal matters, but in fact the legislative and policy work continues—as it always has. This morning’s party room meeting, the first since last Thursday, went well. It was, as they usually are, very civil. I endeavoured to contact all of my colleagues over the last few days since being appointed as interim leader, and was able to speak to most of them. I urge those who are still bunkered down and lobbing the occasional threat to desist. Communication, dialogue and compromise must be brought to the fore. From there we can build understanding, trust and goodwill. I believe that the majority mood is a serious and genuine commitment to reconciliation in the party room. If nothing else, one of the outcomes of last week is that the importance of supporting the parliamentary leader has been emphasised. I have also spoken to as many national executive representatives and other party members as I could, and was very pleased with the feedback. The national executive is committed to working constructively, and I certainly urge my Western Australian division to follow that example. I understand that membership applications have risen subsequent to the announcement of the interim leader decision, and I certainly urge people to join and be part of the process. These difficult times will pass.

I entered the parliament at the same time as Senator Ridgeway. As I said in my first speech, working as a deckhand on my father’s cray boat, miles out to sea in the wee hours of the morning, surrounded by rotting cow hocks and fish heads and crashing face first into strong headwinds might have been good preparation for a career in politics. I am serious about reconciliation and trying to pull the party together. I am very encouraged by the messages of support I have received from members and supporters and from members of the public. I have received more than 1,500 emails in recent days, so I must apologise to many of those people that it will take me some time to get back to them. I trust they understand.

Finally, I take the opportunity to thank Senator Stott Despoja for her leadership of the party over the past 16 months—which included the federal election—as well as her period as deputy leader from late 1997. As
many have noted, she has exhibited great dignity in her conduct around her resignation, and dignity by virtue of the fact that she did not leave the party and take the party seat with her. She will, of course, continue to be a valuable member of the party, the party room and the Australian Senate. An inspiring individual, she has attracted many people to take an interest in the Australian Democrats. I hope to build on that public goodwill, turn around the perceptions of disarray, and offer a bridge between members of the parliamentary wing and the party organisation.

South Australia: Road Toll

Senator BUCKLAND (South Australia) (10.06 p.m.)—Tonight I will touch briefly on an issue that is becoming of increasing concern to me. It does not just relate to my own situation in South Australia—where I spend many hours on the road—it is also of relevance, no doubt, to my colleagues in this place. I am concerned about the number of accidents that have occurred on the road between Adelaide and Whyalla, a road which I travel on regularly—at least once a week. Many times during a sitting week I drive back to Adelaide from Whyalla. A number of serious road accidents have taken lives and created serious injury to travellers. As I drive along, I try to contemplate why, and I think a key contributor would be fatigue. Tonight I am talking particularly about National Highway 1 between Adelaide and the Western Australian border. As I said, it is a road that I travel on quite frequently, although I would do so less frequently, of course, between Whyalla and Ceduna or the border. Certainly, I travel on it frequently enough to know the kangaroos and the wildlife pretty intimately. We are underestimating the effect of fatigue on our driving habits on our national highways.

There has been a call in South Australia, in fact, for higher road speeds. A prominent state Liberal MP based in Port Augusta is calling for the road speed to increase to at least 130 kilometres per hour. He bases that proposition on the fact that country drivers get used to their conditions. As I drive along, I try to contemplate why, and I think a key contributor would be fatigue. Tonight I am talking particularly about National Highway 1 between Adelaide and the Western Australian border. As I said, it is a road that I travel on quite frequently, although I would do so less frequently, of course, between Whyalla and Ceduna or the border. Certainly, I travel on it frequently enough to know the kangaroos and the wildlife pretty intimately. We are underestimating the effect of fatigue on our driving habits on our national highways.

But what stops the city driver who does the annual trip to the country from going at the higher speed as well? Are there two road speeds?

I applaud the South Australian government’s decision to alter road speeds more to suit the conditions of the road. I think that has already been done in New South Wales to a large extent. There are areas where you can go faster, and on occasions you will be slowed down to 80 kilometres per hour on main highways or main link roads. That is the way it should be. Certainly, in this address tonight I am not wanting to say for one moment that money is not being spent on the highways. In fact, the roads have been upgraded considerably to cater for road trains that drive right into Adelaide now. That is not the problem. The roads are reasonably good. They could be better, but they are reasonably good when you consider the distances that are covered and the number of road users.

It is not the road trains that are causing the problems, although a tanker driver was killed less than two weeks ago at Crystal Brook. I understand that he had a head-on collision with another car. These things worry me because it could be me who the other driver hits. It could be me who nods off to sleep. It is not unusual for me to make the four-hour trip to Adelaide and the four-hour trip home again in one day. I am very conscious of this, and I am also very conscious that you can stop for five or 10 minutes and be okay.

What really got me to my feet tonight was an article that appeared in a recent edition of an airline magazine. It was written by Channel 9 motoring presenter Jeff Watson. I will not mention the name of the magazine unless I am asked to do so for the simple reason that it is not a magazine that the airline itself produces; it is produced by a third party. I want to show the irresponsibility of some writers when they think they are writing an interesting story—in this story the writer drives a Morris Minor across the Nullarbor Plain—but they can take it too far. He says:

The next bit of the road, between Caimuga and Balladonia, is strictly for the lead-footed driver. It is dead straight for 160 kilometres (a hundred miles in pre-metric Morris Minor language). It's
unlikely you’ll encounter the constabulary in this remote spot so there is no better time to nudge the rev-counter.

That is encouraging drivers to nudge the rev-counter and to go faster on this straight stretch of road. Where better to do it, I guess, except that that straight stretch of road is far from a stopping point on one side and far from a stopping point on the other side. How can you encourage people to drive faster and to put their lives and those of others at risk? I think this writer is totally irresponsible. Also, he says:

The scenery here is about as interesting as a Rotary Club luncheon so I suggest you just keep going.

I am not a member of Rotary, but I do have a lot of friends who are. I have not been to their luncheons, so I do not know how uninteresting their luncheons are. But it seems to me that this article is not only irresponsible but also offensive to a group of people. It is really offensive to the intelligence of people who have care and goodwill at heart and who wish to travel long distances. Truck drivers have to go backwards and forwards along that road, and I have seen very few accidents involving trucks. I know there have been some, but very few are caused by, or involve, heavy transport—the road trains. How irresponsible is an article like this which encourages people to go faster, when people who earn their living by driving along that road are placed at risk day by day?

I think the federal government could play a role in improving our roads. I agree that that is happening and I applaud what is happening with the highways, but it could be a lot better. I would not include some of the regional link roads in that, but the main highway across to the west is very good. But I think the federal government does need to do more in promoting safety on these trips. You can put in little red and black markers for deaths and serious injuries—and that gives the children something to do when they are travelling because they can count how many extra markers are along the road; there always seem to be one or two more—but it is not really drawing people’s attention to safety on our highways.

**Senator McGauran**—That’s Bob Carr’s job.

**Senator BUCKLAND**—It may be Bob Carr’s job; it may be anyone’s job. But the federal government has a role to play as well on national highways. That role is to educate people about the effects of fatigue and the real effects of higher speeds on the highways. If my Senate friends opposite think that it is a great idea to get out in their fancy cars and drive faster, that is a choice they will make. It is a price that they might not pay; it is a price that another road user may well pay because of their negligence and their lack of good driving habits. So I think the federal government has a real role to play in increasing the education of those using our highways for long-distance travel.

**Employment: Outworkers**

**Senator MARSHALL** (Victoria) (10.16 p.m.)—I rise to draw the Senate’s attention to the plight of Australia’s outworkers in the clothing industry. This issue has been an ongoing one in the Senate, in Australia and around the world for some time now, and it has seemingly come to the attention of a number of our media outlets of late as well. A recent investigative report undertaken by Channel 7’s *Today Tonight* sought to expose sweatshops and highlight the issues faced by many thousands of Australian outworkers. Subsequently, journalists Andrew Bolt and Miranda Devine took up this issue in their respective columns, both seeking to debunk these issues as part of a church-union conspiracy to drive the industry offshore. The Bolt article states:

Anyone with a bit of brains would wonder who’d be so mad as to work for $2 an hour, when they’d get more on the dole.

Whilst Bolt’s simplistic argument may appeal to some readers, what he fails to express is that changes made to immigration laws in 1996 withdrew rights of migrants to access social security within the first two years of migration. This has effectively forced many non-English speaking migrants into the clothing industry as outworkers. Outworkers are predominantly employed in what can best be described as an “unregulated industry”, which is more often than not hidden from the public’s attention. It is an industry
with an environment pervaded by occupational health and safety problems, overwork, insecurity, intimidation, fear, physical violence, fraud, non-payment, underpayment, withholding of payment and disempowerment.

The Textile, Clothing and Footwear Union estimates that up to 329,000 outworkers are employed in the clothing industry—something Bolt simply passes off as an ‘untruth’. It has been estimated in the Industry Commission report into the textile, clothing and footwear industries that 95 per cent of clothing industry outworkers are non-English speaking women—many of whom would be restricted from access to social security. They work in the industry because they are forced to, not because they are without intelligence as Bolt would lead his readers to believe. This form of employment and the arguments promoted by Bolt seek to exploit pre-existing gender, class and ethnic divisions in the community and take advantage of a vulnerable labour force, much of which has few alternative employment options.

The Bolt article and Miranda Devine’s article, which was featured in the Sydney Morning Herald on 15 August this year, establish their views of the industry based on an answer by an employer on a current affairs show aired on Today Tonight in late July. It is claimed that the employer interviewed on the program responded to the question of how much he paid his workers with the figure of $13 per hour. Bolt and Devine take this answer as gospel and shape their knowledge of the whole industry on this one response purely on the information provided in the current affairs program. No research was offered and none was undertaken. The entire basis of both articles is on another journalist’s research on a current affairs program.

A more comprehensive analysis of the industry was recently undertaken by Dr Christina Cregan from Melbourne University. In her report Home Sweat Home, Dr Cregan examined the working patterns, wages and conditions of 119 outworkers—110 of whom were born in Vietnam and 114 of whom were female. The Cregan report estimates that the average rate for clothing industry outworkers is $3.60 per hour. Further, the report finds that outworkers were paid between 20c and $5.35 per garment, with garment production time ranging from three minutes to 90 minutes per garment. Most workers surveyed reported that they did not receive paid holidays, sick pay or paid public holidays, and it was not uncommon for outworkers to be paid as little as 50c per hour. Sixty-two per cent of the outworkers surveyed worked every day and 74 per cent worked 12 to 19 hours per day. It is reasonable to suggest, as this report does, that ‘The work consumes their lives’.

The Devine article goes on to claim that the Textile, Clothing and Footwear Union, church groups and community organisations are threatening Australian jobs via their campaign to raise the standards which outworkers in the clothing industry are employed under. I would suggest that, whilst Australians recognise that keeping jobs in Australia is crucial, they would not recognise this form of employment as fair and reasonable, and it is in contradiction with the Australian ethos of everyone deserving a fair go.

The industry has become structured around the exploitative conditions of outworkers, which are estimated to be as high as 329,000 Australia-wide. This figure of 329,000 translates into more than 10 outworkers for each registered clothing factory worker. Organisations concerned with the plight of outworkers understand that the industry has become structured in such a manner that ensures outworkers are kept in what can be best described as an unregulated, exploitive industry that prohibits them from knowing their rights and entitlements and further limits their ability to organise collectively.

The article by Andrew Bolt titled ‘It’s a fair job: no sweat’ in the Herald-Sun on Thursday, 1 August 2002, went on to make a number of quite bizarre claims. In it he says:

I’m talking about how church groups and unions persecute real refugees.

I find it difficult to believe that both church groups and unions, who in fact are the champions of the underprivileged in our society, can all of a sudden be twisted around to be those that are responsible for the persecution
of those employed under the conditions I talked about. He goes on to say:

And like many social campaigns backed by our churches, this involves telling untruths. And just in case churches object to his first quote he prepares us for the fact that churches obviously tell untruths and are not to be trusted—again, quite a bizarre claim coming from an article whose research is based on a current affairs program. He goes on to say:

But no untruth is too wild for cause-pushers in the media, egged on by like-minded activists and the union-run Labor Party, which is doing its damnedest to put outworkers in unions and out of work. Again, this is a rather bizarre claim that those organisations who seek to represent and defend people in these situations are all of a sudden part of a conspiracy to put them out of work. Mr Bolt has not worked out that there seems to be a mutually exclusive proposition in that last quote. People cannot be put in unions and out of work if the objective is to gain union membership or employment. They cannot happen—they are mutually exclusive—if that is the objective. I seek leave to table the article by Mr Andrew Bolt.

Leave granted.

Senator MARSHALL—In conclusion, the arguments promoted by the journalist to debunk this are based purely on an opinion that union organised Labor Party and church groups act in some conspiracy to try to deprive these workers of a future and try to destroy an industry and send it offshore. But the overwhelming evidence prepared by universities—by Dr Cregan—which has stood up to some intellectual scrutiny is supported by a Senate Economics References Committee report in which they undertook a review of the inquiry into outworkers in the garment industry. That committee also took submissions and heard evidence from the likes of the Australian Business Chamber, the Australian Retailers Association and the Council of Textile and Fashion Industries of Australia. As a result of those submissions and many more a number of conclusions were reached by that committee. The report says:

In its initial report the Committee stated that one of its major concerns was that outworkers were not recognised as employees by the majority of their employers. The Committee is very concerned that, until some agreement between the parties is found that identifies all outworkers as employees, they will continue to be exploited by questionable middlemen.

The report went on to say:

... it is important that the federal government take immediate action and show some willingness to protect outworkers from further exploitation. These reports are the result of genuine intellectual inquiry and are not something based on the bias shown by some reporters. I hope that the government takes on board some of that work already done and moves to protect outworkers in Australia.

Drought

Senator O’BRIEN (Tasmania) (10.26 p.m.)—What an excellent contribution from Senator Marshall. I want to talk about something which is also of great concern to Australia: the fact that much of Australia is currently in the grip of a devastating drought. New South Wales and Queensland are the most affected states, but all states have regions that are experiencing serious or severe rainfall deficiency. Eighty-two per cent of New South Wales is drought affected, with a further 10 per cent experiencing marginal conditions. Thirty-eight Queensland shires representing 16 per cent of the state are drought declared. The latest Bureau of Meteorology drought statement identifies the impact of poor autumn and early winter rains in central Victoria, south-west Western Australia, eastern South Australia and even parts of our home state, Mr President—Tasmania.

For Australians who live in the major cities drought usually means no more than the appearance on television news of stories featuring dry dams, dusty paddocks and skinny sheep. For farm families the impact of drought is obviously more profound. Over recent months a series of economic indicators have given us some picture of the growing disaster being visited upon the nation. The ABS reported a fall in rural exports for June of about seven per cent in seasonally adjusted terms. Recent livestock figures show cattle slaughter numbers are on the rise.
as more farmers are sending their stock to
the abattoir as feed runs out and the price of
grain rises. Increased beef production, com-
bined with the increases in the cost of feed,
water and agistment, has weakened the beef
market and forced prices lower. Meat and
Livestock Australia said today that the beef
price slump is in the order of 30 per cent.
One of the cruel ironies of drought is that
when crops fail and yields fall the price of
grain rises. The rising cost of grain is of
course an additional burden on those who
need affordable grain to feed their stock, in-
cluding those in intensive industries such as
pork and poultry.

Westpac has predicted that the drought
will cost the national economy as much as
$5.3 billion and slice 0.8 per cent from
growth in gross domestic product. Adverse
economic conditions affecting hundreds of
thousands of people who live outside the
major cities simply cannot be quarantined
from the general economy. This is confirmed
by the August monetary statement by the
Reserve Bank of Australia, which says:

The large swing in rural incomes that is normally
associated with dry conditions can have a notice-
able effect on economic growth, largely through
lower rural exports, and also indirectly via the
flow-on effects of weaker farm incomes to other
sectors of the economy.

Senators will be aware of some foolish
comments made by the Treasurer on 24 July
dismissing the impact of the drought on the
national economy. Following the publication
of poor economic data in the days after this,
the Treasurer conceded that there had been
some impact and then did a major backflip
during his photo opportunity in outback
Queensland. Regrettably, Mr Costello’s igno-
rance of rural Australia is not uncommon
amongst senior members of this government.
In support of this point I need do no more
than refer senators to Mr Costello’s com-
ments on the drought and the government’s
continuing obsession with the sale of Telstra.

Statistics alone do not provide the full
picture of the drought’s impact. They do,
however, point to the decisions being forced
on farmers by unforgiving climatic condi-
tions. It is not just the drop in income that
hits farm families; as income drops, demands
from banks and other creditors become more
pressing. As farm families stop spending,
country businesses feel the squeeze and jobs
disappear. The wretched withdrawal of
services from country towns accelerates as
farms and businesses close, people move
away and the fabric of country life dimin-
ishes.

As senators from New South Wales and
Queensland will be aware, the Carr and
Beattie governments have drought relief
packages in place, reflecting the seriousness
of the situation confronting those two states.
These state based packages include fodder
and water subsidies, financial counselling
and advice on drought management. New
South Wales today announced an extension
of its state drought relief package and ad-
vised that formal applications for exceptional
circumstances relief declarations will be
lodged within two weeks. It is likely that
Queensland will also soon lodge exceptional
circumstances applications. It is therefore
now time for the federal government to help
farmers who are experiencing the trauma of
drought.

Back in May, Mr Truss presented a pro-
posal to the Primary Industries Ministerial
Council advocating changes to the excep-
tional circumstances program. These changes
included a new farm business support pro-
gram, an enhanced role for the states in as-
essment, the introduction of relief buffer
zones around declared areas and a changed
funding formula. It is this last change that
has stalled the reform process. Mr Truss
seeks to diminish the Commonwealth’s share
of business support funding while lifting the
contributions of the states. All of the states
are united in their agreement on the struc-
tural changes and equally united in their op-
position to Mr Truss’s funding changes. The
states’ position was known to Mr Truss be-
fore the Primary Industries Ministerial
Council meeting and their position remains
unchanged more than three months later.

Mr Truss failed to build a consensus be-
fore the Primary Industries Ministerial
Council meeting and has failed to show lead-
ership since. All he has done to try to solve
the impasse is issue media statements com-
plaining that no-one is paying any attention
to him. He has mostly done this himself, but every now and then John Anderson, the Deputy Prime Minister, has rushed to his side seeking to bolster the Nationals’ credentials and distract attention from his minister’s incompetence. Regular listeners to the John Laws program would have heard a ridiculous episode a few weeks ago when Mr Anderson asked Mr Laws to make representations on behalf of his minister next time he was talking to Bob Carr. As you would expect, Mr Laws expressed some incredulity about this request, and not without cause.

The current national drought strategy was devised by a federal Labor government between 1989 and 1992, but it did not develop the strategy in isolation from the states. The administrative and funding arrangements were agreed between the Commonwealth and all state governments. Labor primary industries ministers John Kerin, Simon Crean and Bob Collins worked constructively with the states; they did not throw a plan on the table and expect someone else to do the hard work for them. This government says it will not consider reform unless the states agree to funding changes. Most alarmingly, Mr Truss has not pledged to assess new applications on existing guidelines while he sorts out the exceptional mess he has made of exceptional circumstances reform. Let us not forget that Mr Truss created the mess and is now trying to shift the blame to the states because he cannot fix it.

The grip of drought is tightening in New South Wales and Queensland, and exceptional circumstances applications are likely to be lodged soon. I first warned of impending EC applications back in June, but the Commonwealth has done nothing to prepare for their arrival. Farm families do not care, frankly, about Commonwealth-state constitutional arrangements. They do not care about disagreements on funding for the exceptional circumstances program. What they care about is the Commonwealth shouldering its responsibility to help them through difficult times. Nobody expects the government to shelter rural Australia from all the consequences of drought, but farm families do expect that the federal government will do its best to assist when swaths of the country are affected by drought.

Labor has urged Mr Truss to do more than play politics with the states. Blaming lack of action on disagreement between the Commonwealth and the states is the oldest excuse in Australian politics. Now is not the time for excuses, because applications will soon be lodged with respect to a large area of our continent. The current guidelines were good enough for the Western Australian and Queensland applications in 2001, just months before the federal election, and they must be good enough for farm families waiting for relief now. Rural and regional Australia must not suffer any further.

**Senate adjourned at 10.37 p.m.**

**DOCUMENTS**

**Tabling**

The following documents were tabled by the Clerk:

- Aboriginal and Torres Strait Islander Commission Act—Statement under subsection 122A(3)—Suspension from office of a regional councillor.
- Civil Aviation Act—Civil Aviation Regulations—Airworthiness Directives—Part—
- Commonwealth Authorities and Companies Act—Notice under paragraphs 45(1)(b) and (f)—Disposal of shares and cessation of membership in Sydney Airports Corporation Limited (SACL).
- Superannuation Industry (Supervision) Act—Request from Minister to APRA under section 230A, dated 1 July 2002.
- Telecommunications Act—Telecommunications Numbering Plan Amendment 2002 (No. 2).

**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 January to 30 June 2002—Statements of compliance—

Aboriginal and Torres Strait Islander Commission.

Civil Aviation Safety Authority (CASA).
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Defence: Seasprite Helicopters**

(Question No. 325)

**Senator Chris Evans** asked the Minister for Defence, upon notice, on 16 May 2002:

With reference to Seasprite helicopters:

1. Have any payments been made to Kaman in 2002; if so, can the Minister indicate: (a) the type of payment made; (b) the date; and (c) the value of the payment.

2. In terms of the service contract: (a) what payments were made to Kaman; (b) on what date; and (c) what was the value of the payments.

3. The Defence Annual Report 2001-02 notes that 805 Squadron has been ‘commissioned’: (a) when was this squadron commissioned; and (b) have any personnel been assigned to the squadron; if so, how many (or does it exist as a notional unit).

4. Has a facility been established to house the squadron.

5. To date, what has been the full cost of funding the squadron, that is, all personnel costs, administration costs, supplier costs, and facility costs.

6. Is the principal role of this squadron to fly the Seasprite helicopters.

7. When was the Chief Petty Officer assigned to the integrated service team for the Seasprite (as indicated in an answer to a question at Senate estimates hearings).

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

1. As at 31 May 2002, against the prime acquisition contract, there have been 4 earned value payments totalling AUD 14,929,660, 8 milestone payments totalling AUD 1,578,031 and associated price variation payments totalling AUD 4,636,715.80. Of the AUD 14.9 million in earned value payments approximately AUD 5 million was for purchase of spares and ground support equipment. Payments withheld over the period total approximately AUD 0.72 million.

2. As at 31 May 2002, against the support contract, there have been 4 Milestone payments totalling AUD 3,962,789 associated price variation payments totalling AUD 287,384 and inventory purchases totalling AUD 1,760,762. Payments withheld, which include management fees (Milestones) for the month of March 2002 onwards, total AUD 3.45 million. Agreement has been reached with Kaman to significantly reduce monthly payments. While contract changes are being prepared to formalise this, Kaman is invoicing the Commonwealth for the reduced amount.

3. 805 Squadron was commissioned as a Fleet Unit on 28 February 2001. At commissioning the squadron consisted of 25 military personnel and 1 Australian Public Servant (APS). Squadron strength peaked at 26 military personnel and 1 APS. Further postings to the squadron were suspended in April 2001. A reduced activity plan was implemented for the squadron in December 2001. The squadron is a cadre of 15 personnel, a Commanding Officer (observer), 1 Aeronautical Engineering Officer, 1 APS clerical support and 12 maintenance sailors. A minimum number of squadron personnel are involved in essential support roles in preparation for the introduction of the SH-2G(A). This includes participating in final line assembly, which develops the squadron personnel’s aircraft system knowledge as well as the essential conduct of mandatory customer inspections of the product (a contractual requirement). The squadron personnel also continue to prepare the squadron to qualify as an Authorised Maintenance Organisation under the new airworthiness regulations. In preparation for their future operational role, 805 Squadron personnel are conducting tactical development and also setting to work the squadron’s workshops, ground support equipment, technical library and tool control. Squadron personnel have also provided assistance to the Super Seasprite Project office and other Navy squadrons.

4. Yes. 805 Squadron facilities were provided as part of the HMAS Albatross Phase 1 Redevelopment. The facility includes a 4 berth deep maintenance hangar and associated workshops, a stores receipt and dispatch facility, 6 individual ‘hangarettes’ each capable of housing 1 SH-2G(A). Attached to the hangar complex is an integrated Headquarters, maintenance management and training facility.
(5) To date the costs involved in funding the Squadron amount to $13.1 million including building costs of $11.2 million.

(6) Yes.

(7) The Chief Petty Officer position within the Navy Aviation Logistic Management Unit for the SH-2G(A) was first manned in late January 2001 and became vacant in late March 2002. Whilst the position is currently still vacant, it is expected to be manned again in mid June 2002 to assist with the ramp up towards SH-2G(A) flying operations. This position provides Navy operational knowledge and experience as input to the preparations for flying operations.

Centrelink: Remote Service Centres
(Question No. 390)

Senator Crossin asked the Minister for Family and Community Services, upon notice, on 20 June:

With reference to the rollout of further Centrelink Remote Service Centres:

(1) What criteria were used in determining that centres at Cape York, Laverton and Halls Creek would be the first centres established.

(2) (a) Have all remote Aboriginal communities been advised of the remote service centre funding; and (b) how and when were they notified.

(3) Have all remote Aboriginal communities been given an opportunity to formally bid for a service centre to be established in their community; if so, who is dealing with these bids and how.

(4) What criteria are being used to determine where the remaining nine remote service centres will be established.

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

(1) Business analysis across all regions in remote Australia was conducted to determine the locations of the first three Centrelink Remote Area Service Centres. The following key issues were taken into account in determining the locations: linkages with the Centrelink Agent Network i.e.: Hub and Spoke model; Strategic location i.e. natural regional servicing centre; language/cultural relationships and alliances; physical infrastructure; telecommunications infrastructure; transport arrangements; and governance within the communities.

(2) (a) The Australians Working Together Initiatives were announced publicly in the Government’s Budget in May 2001. The Remote Area Servicing Strategy provided $9m over four years for the establishment of 12 Remote Area Service Centres.

(b) Budget media releases were issued outlining the Australians Working Together initiatives and as an integral part of this process Area Support Offices and Customer Service Centres across Centrelink’s network delivered Budget briefings for community organisations in May/June 2001.

(3) There is no formal bidding process with Indigenous communities in the Remote Area Service Centre process. Centrelink will conduct business analysis across all regions in remote Australia to determine these locations. Centrelink staff working in remote areas will have input to this process by providing detailed information about those communities. Centrelink Area Offices have responsibility for developing site proposals.

(4) Refer to response of Question 1. The remaining nine Remote Area Service Centres will be progressively implemented over the following three years; i.e. four sites in 2003/04; three sites in 2004/05; and two sites in 2005/06.

Wide Bay Electorate: Funding
(Question No. 425)

Senator O’Brien asked the Minister representing the Treasurer, upon notice, on 10 July 2002:

(1) What programs and/or grants administered by the department provide assistance to people living in the federal electorate of Wide Bay.

(2) What was the level of funding provided through these programs and/or grants for the 1999-2000, 2000-01 and 2001-02 financial years.
(3) Where specific projects were funded: (a) what was the location of each project; (b) what was the nature of each project; and (c) what was the level of funding for each project.

**Senator Minchin**—The Treasurer has provided the following answer to the honourable senator’s question:

(1) The department of the Treasury does not administer any grants or programs directly to the federal electorate of Wide Bay. All administered grants and/or programs from the department of the Treasury are directly to state governments.

(2) N/a

(3) N/a

**Quarantine: Australian International Airports**

*(Question No. 494)*

**Senator O’Brien** asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 29 July 2002:

(a) What proportion of all passengers entering Australia from South Korea between 1 June and 15 July 2002 actually received quarantine intervention at the international airport of Sydney; (b) what proportion actually received quarantine intervention at the international airport of Brisbane; and (c) what proportion, if any, actually received quarantine intervention when they transited to Melbourne airport.

**Senator Ian Macdonald**—The Minister for Agriculture, Fisheries and Forestry has provided the following answers to the honourable senator’s question:

(a), (b) and (c).

All passengers entering Australia direct from South Korea into Sydney or Brisbane international airports and those that transited to Melbourne international airport between 1 July and 15 July 2002 were subject to quarantine intervention.

**Environment: Mundulla Yellows Disease**

*(Question Nos 497 and 498)*

**Senator O’Brien** asked the Minister representing the Minister for the Environment and Heritage, upon notice, on 29 July 2002:

(1) What action has been taken by the department to address the spread of the vegetation disease known as Mundulla Yellows.

(2) What is the known distribution of the disease: (a) by region in South Australia; and (b) by state and territory.

(3) What is the known impact of the disease, if any, on vegetation: (a) in each region of South Australia; and (b) in each state and territory.

(4) (a) What funding has been allocated by the department for research into the disease; (b) when was it allocated; and (c) for what purpose.

**Senator Hill**—The Minister for the Environment and Heritage has provided the following answers to the honourable senator’s questions:

(1) Without definitive knowledge of the cause of Mundulla Yellows it is not possible to devise or execute a control strategy. The Department has funded research aimed at identifying a cause of the disease. In addition, the 31 May 2002 meeting of the Natural Resource Management Ministerial Council’s Land Water and Biodiversity Committee recommended that a national taskforce be established to review work on Mundulla Yellows and develop a national approach to the containment of the disease subject to satisfactory progress being made on identifying a cause of the disease.

(2) No comprehensive, systematic surveys of Mundulla Yellows have been conducted. However, trees with the classic symptoms are seen throughout southeastern South Australia including Adelaide, the Barossa Valley and Kangaroo Island, but are not seen in the Adelaide Hills. Trees with the RNA (Ribonucleic Acid) associated with Mundulla Yellows have been detected in all mainland states except the Northern Territory but these trees do not have the classic yellowing symptoms of Mundulla Yellows. Recent evidence suggests trees with the classic symptoms of Mundulla Yellows have been detected in the south west of Western Australia.
(3) The full impact of Mundulla Yellows is unknown for any region, state or territory.

(4) In 1999, Senator the Hon. Robert Hill, the former Minister for the Environment and Heritage approved funding of $150,000 to be spent over two years on identifying the cause of the disease. The University of Adelaide conducted this research. The molecular research identified unusual RNA associated with trees suffering from Mundulla Yellows. This suggests that a virus might be the cause of the disease.

In April 2002 a workshop attended by a range of scientists and natural resource managers developed a list of priorities for future research on Mundulla Yellows. The most important was the development of a genetic probe to identify the biotic cause of Mundulla Yellows. The Commonwealth and the South Australian Department for Environment and Heritage have jointly committed $132,000, this financial year, to pursue this priority research. Tenders to conduct this research are currently being evaluated. At this stage no funding has been allocated beyond the financial year 2002-2003.