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Wednesday, 18 September 2002

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

TEMPORARY CHAIRMEN OF COMMITTEES

The PRESIDENT—Order! Pursuant to standing order 12, I lay on the table a warrant nominating Senator Brandis to act as an additional Temporary Chair of Committees when the Deputy President and Chair of Committees is absent.

MINISTERIAL STATEMENTS

Foreign Affairs: Iraq

Debate resumed from 17 September, on motion by Senator Hill:
That the Senate take note of the statement upon which Senator Faulkner had moved by way of amendment:

At the end of the motion, add:
“and that the Senate emphasises that as yet the case has not been made as would support a pre-emptive strike on Iraq; and further emphasises the vital importance of the United Nations Security Council and the United Nations Charter under international law for international dispute resolution, including in relation to Iraq”.

Senator HARRADINE (Tasmania) (9.31 a.m.)—I seek leave to make a personal explanation for no more than two minutes.

Leave granted.

Senator HARRADINE—I was very keen to get into the debate on Iraq last night but a committee of the Senate was meeting at the same time as the Senate was meeting, so it was not possible for me, under those circumstances, to address the issues. I do say, however, that it is extremely important in this situation—or any situation of war—to examine the principles of a just war. They include whether there is a just cause, whether there has been a lawful decision to undertake the sending of troops, whether there is a right reason for going into the conflict, whether there is a likelihood of success, whether there is proportionality and whether every other reasonable means has been tried to overcome the particular problem. In the conduct of such a war, of course, you need other matters: you need proportionality, you need to achieve the objective and you need to ensure the protection of innocent civilians. I would have liked to have expounded on those matters last night, and I am sorry—I do not apologise because the government is pressing to get the matter considered that we were considering—that I was not here last night to hear other senators.

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

The Senate divided. [9.38 a.m.]

(The President—Senator the Hon. Paul Calvert)

Ayes……….. 38
Noes……….. 31
Majority…….. 7

AYES


NOES

Senator BROWN (Tasmania) (9.41 a.m.)—I, and also on behalf of Senator Nettle, move the Australian Greens’ amendment:

At the end of the motion, add:

(a) urge the Governments of the United States of America and Iraq to exercise restraint;
(b) commit to working with the United Nations and Arabic leaders in particular, to ensure that the Government of Iraq abides by past United Nations resolutions; and
(c) use all possible influence to protect innocent Iraqi lives.

I seek leave to speak for one minute on that amendment.

Leave not granted.

Senator GREIG (Western Australia) (9.42 a.m.)—I move the following amendment to Senator Brown’s amendment:

Omit, ‘opposing the use of Australian personnel in any invasion of Iraq’, substitute ‘opposing the use of Australian military personnel or facilities in any invasion of Iraq’.

Question negatived.

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

The Senate divided. [9.44 a.m.]
(The President—Senator the Hon. Paul Calvert)

Ayes............ 10
Noes............ 56
Majority........ 46
tion again. The question is that amendments (1) to (5) on sheet 2604 revised, moved by Senator Faulkner, be agreed to.

Question put.

The committee divided. [9.54 a.m.]

(The Chairman—Senator J.J. Hogg)

Ayes………………… 27

Noes………………… 39

Majority…………… 12

AYES


NOES


PAIRS

Bishop, T.M.  Bolkus, N.  Cook, P.F.S.  Lundy, K.A.  Eggleston, A.  Minchin, N.H.  Lightfoot, P.R.  Patterson, K.C.

* denotes teller

Question negatived.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (9.58 a.m.)—I move opposition amendment No. (6) on sheet 2604:

7 After Subsection 316(2C)

Insert:

(2D) Where a body corporate or unincorporated has made a gift or disposition of property of $25,000 or more to a political party, an authorised officer must conduct an investigation of that gift or disposition of property in accordance with this section.

I would like to remind the Senate that recommendation 11 from the AEC’s report on funding and disclosure in the 1998 election stated:

Donors to political parties above a predetermined threshold be subject to compliance audit.

That was the AEC’s recommendation. I note that this recommendation was not only supported by the Australian Labor Party but also supported by the Australian Democrats in their submission to the Joint Standing Committee on Electoral Matters 2001 inquiry into funding and disclosure law. This recommendation, which forms the basis of the amendment that this committee is considering, has been resubmitted by the Australian Electoral Commission to further Joint Standing Committee on Electoral Matters inquiries—to the aborted funding and disclosure inquiry in 2001 and also to the 2002 review by the joint standing committee of the 2001 election. So there is some history to this. I point out that it has historically had the support of not only the Labor Party but the Australian Democrats as well.

The importance of compliance audits is to assess whether the annual disclosure returns lodged by political parties and associated entities are complete and accurate records. Compliance audits of course are routine, and their scope is limited. These audits are conducted in such a way that they cannot become fishing expeditions. They are limited in their scope. They do not go beyond the records that support the transactions required to be disclosed. It is true that the AEC over-
whelmingly encounters cooperation from office holders of political parties and associated entities, and from not only office holders but also employees—and I think it is proper that that is said. It goes beyond those who may be employed by the parties or the associated entities. I think it is fair to extend that to the volunteers, because generally you can say that those people cooperate with the AEC.

Most parties and associated entities have now experienced at least one AEC audit. It is fair to say that they are familiar with the process, and I also think it is fair to say that they are comfortable with the process, comfortable with how these audits are conducted. According to the AEC, a major concern remains, in that donors and political parties in particular are not always according sufficient priority to the task of disclosure. Most often this results in numbers of decentralised party units—such as local branches, local campaign committees or the equivalent—not reporting their finances to their party’s agent.

Most of us, particularly those of us in the major political parties, would understand why that is the case. It is not a question of people not accepting the spirit of what is required; it is just that you are dealing with volunteers in a voluntary organisation, and sometimes these matters are not dealt with in the way that we all hope would occur. This results in them not being incorporated in the return that is lodged for the party. In some cases, individual party units may have receipts of tens of thousands of dollars, which means that quite material disclosures are sometimes not being included in the returns lodged by parties. Of course the lack of priority that I have spoken about can also sometimes mean that the party’s own central accounts are not always accurately reflected in the disclosure return.

I am concerned—and I hope it would be a concern shared in this chamber—that some parties and donors may not always see disclosure to be a core function. But we say that it is. It is a core responsibility. Unfortunately, many donors appear on party returns but do not themselves submit the necessary donor returns. I think we have to accept in the parliament that disclosure and the disclosure provisions of the Electoral Act provide financial accountability to the Australian public from political parties, political candidates and those more broadly involved in the political process. That is absolutely vital when we consider the level of financial assistance that is provided to parties and candidates through public funding. With that relationship, accountability is vital.

The opposition believes that the figure of $25,000 is an appropriate threshold for triggering a compliance audit by the AEC. I believe that such an audit process would be straightforward. It would give a greater degree of confidence that all donations had been fully disclosed and that donors as well as parties were complying with the provisions of the Commonwealth Electoral Act. That is the reason for putting forward this amendment. It has had the support of the Australian Electoral Commission. It has had the support of the Australian Labor Party. It has had the support of the Australian Democrats. It is an important reform that I hope the Senate will be able to agree to. It is for these reasons that the opposition proposes this amendment. I commend the amendment to the Senate.

Senator BROWN (Tasmania) (10.08 a.m.)—I will be very brief indeed. I and the Australian Greens support this amendment, for the very good reasons that Senator Faulkner has just outlined.

Senator ABETZ (Tasmania—Special Minister of State) (10.08 a.m.)—For the record: as I understand it, the AEC’s recommendation was that donors to political parties above a predetermined threshold be subject to compliance audits. To seek to assert that the amendment that is put before us today embodies that recommendation is, with respect, taking licence with the Australian Electoral Commission’s recommendation. Under the act, compliance audits are discretionary. Therefore when the AEC, in a recommendation, request that a compliance audit be considered, under the terminology of the act they are saying that they should have a discretionary role. This proposal has the word ‘must’; therefore it will become a mandatory role. The AEC will no longer have any discretion. In their submission they
were requesting that discretion. They are being denied that discretion by this amendment, and in fact they are being mandated to undertake these investigations—whatever the term ‘investigation’ might mean. We will need to have that defined by Senator Faulkner.

Let us go through the amendment. We are told about a body corporate or a body unincorporated. Without seeking to be a teacher—Senator Faulkner, I understand, was a teacher in his former life—in relation to the grammar of that and the language of the legislation, I am not exactly sure what that means. We would need to know whether that applies to individuals. Do individual people escape this, so that funny men with brown paper bags and white shoes can make donations—as I understand they did under a former Labor regime and under a former Labor regime in Western Australia? We need to have that clarified and we need to know why the Labor Party has so strongly and so firmly and so long been of the view that it should only apply to bodies and not to individuals. I am not sure that that was what the Australian Electoral Commission had in mind.

We then move on through the clumsy grammar to the terminology ‘gift or disposition of property’. I trust that Senator Faulkner will advise the Senate what he means by the term ‘gift’ and what he means by the term ‘disposition of property’. Those definitions are there in the act and it is very important that we understand what we are talking about, because ‘disposition of property’—and I am sure it escaped the drafter of this amendment, very clumsy as it is—includes anything under the act, including a mortgage or the purchase of a motor vehicle. In the event that a political party takes out a mortgage or a loan for $25,000 or more, we are, by this amendment, mandating the Australian Electoral Commission to rock up to, let us say, the Commonwealth Bank and go through all its books. What for? What a waste of time! What a waste of taxpayers’ money! It is ill thought out and ill-considered and I am not quite sure what purpose it has. It is vital that Senator Faulkner answer these matters rather than just walk around the chamber and talk to people. These are important technical points that need to be considered.

The question also arises whether the amendment requires the investigation of all gifts. We need an answer to that. Most importantly of all, we need to know what the purpose of the investigation is. The amendment tells us that it is only where a gift or disposition of property has been made that they are required to investigate. What happens if they do not know whether a gift has or has not been made? Would they have the power to investigate under this amendment? Let us say they have a suspicion, but they are not really sure. Under this amendment there is no power to investigate. We would like to know what the purpose of the investigation actually is.

We then turn to the term ‘political party’. What does the honourable senator mean by that terminology? I would like to have his view on that because, undoubtedly unknown to him, the Commonwealth Electoral Act has a definition of ‘political party’ and ‘registered political party’. If he does not know the difference, I suggest that he go over to his adviser and find out what the difference is and exactly what is meant by his amendment. Then I would ask why the limitation of investigations to bodies only, and how the definition of ‘body incorporated’—or ‘unincorporated’; that is what it ought to say—relates to the definition of ‘prescribed person’ in the legislation. Once again, why must they investigate? Why make it mandatory?

From my advice, there were in the 2000-01 calendar year over 278 receipts of donations of $25,000 or more. They are publicly disclosed anyway, and so I simply say this to the Australian Labor Party: if the CFMEU, let us say, make a donation to the Labor Party, they declare it and the Labor Party declares it. So excuse me, but why would you make the Australian Electoral Commission undertake an investigation into that transaction—unless, of course, there is something that would alert your attention to suggest that something might not be quite kosher? If both sides declare it, it is there on the public record, and so why would you
mandate an investigation into it? It just does not make sense.

I will leave my questioning at that. I trust that Senator Faulkner will respond in detail to all the matters that I have raised. I would say to my friends in the Australian Democrats that they pride themselves from time to time on listening to the debate and arguments on these matters. I would submit to them most respectfully that the many technical aspects that I have raised show that this amendment is totally and wholly flawed and, more importantly, it takes a gross licence with the AEC recommendation. It is in fact not a faithful reinterpretation of the recommendation of the Australian Electoral Commission. It is taking it a lot further. I would remind honourable senators that in fact the recommendation is:

Donors to political parties above a predetermined threshold be subject to compliance audit.

That is completely different from the mandatory, ham-fisted approach that is being suggested by the honourable senator opposite and that is constructed in language which, quite frankly in my submission, would make this section quite unworkable.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (10.18 a.m.)—In relation to the last point that the minister made, I ask the minister whether he has sought any advice from the Australian Electoral Commission in relation to its consideration of an appropriate predetermined threshold? Can he indicate to the committee whether he has sought advice and, if he has sought that advice, what is the response of the AEC?

Senator ABETZ (Tasmania—Special Minister of State) (10.18 a.m.)—It might come as a surprise to Senator Faulkner that he is moving an amendment to legislation and nominating a figure. It is for him to advise this place as to whether or not he has obtained a figure. He has, of course. It is $25,000. It is for him to prosecute his case as to why that threshold is important. It is not for me to try to assist him in patching up what is a fatally flawed amendment.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (10.19 a.m.)—The minister quite faithfully puts before the committee the words that are contained within recommendation 11 from the AEC’s report on funding and disclosure in the 1998 election:

Donors to political parties above a predetermined threshold be subject to compliance audit.

The opposition is suggesting that that recommendation be picked up and acted upon. This amendment is proposing that the predetermined threshold—a matter, of course, finally for determination by this parliament, as even Senator Abetz would have to acknowledge—be the figure of $25,000. Most of us who cut away all the political flim-flam would acknowledge that that is the case. My question to Senator Abetz only goes to the issue of whether any alternative figure, apart from the one proposed by the opposition during this committee debate, has been suggested to government by the AEC. It is possible that they have not done that and, if they have not done that, fair enough. They have recommended to parliament that donors to political parties above a predetermined threshold be subject to compliance audits. They have said this should happen. What they have not said is what the threshold should be. They have just said it should be predetermined—which is the whole impact of this amendment.

I would listen with interest to, and I think that most reasonable senators and a reasonable Senate would take account of, any advice that was forthcoming from the AEC about consideration of an appropriate threshold. I think the $25,000 threshold that is contained within this amendment is a very reasonable one. I had thought that there would be some criticism in the chamber that the threshold in fact may be too high, and that some would suggest in fact that the threshold should be lower. But what the AEC says to us is: ‘Predetermine the threshold and get on with the job.’

In the absence of any further advice, this amendment proposes a figure. I think it is a balanced outcome. As I say, I think most of the criticism here will not be that the threshold is too low but that the threshold is too high. I think that, given some of the other provisions of the act, you could mount a case
in this chamber. I thought Senator Brown would suggest that maybe this figure is too high. It is a starting point, and it is done in the absence of further advice. Sometimes, Mr Temporary Chairman, as you would know, the AEC in its recommendations to the Joint Standing Committee on Electoral Matters does provide suggestions of monetary figures for disclosable amounts and the like. Sometimes those recommendations are made, as I know Senator Murray, who has been a long-standing member of that committee, would acknowledge. On this occasion, the principle is put forward; an amount is not put forward. The opposition has long agreed with the principle. As I have said, other political parties have also indicated that they have. The point of my question to Senator Abetz was that if he has either sought or been provided with advice from the AEC about a threshold level, I would be very interested to hear it. But, if it has not been provided, it would be competent for us to act, regardless of advice. In relation to electoral law, I always take serious account of AEC recommendations.

No-one can get away from the fact that the AEC have recommended this proposal. They have not only said it, as has been quoted by Senator Abetz in relation to the report on funding disclosure in the 1998 election; they also resubmitted it to other inquiries by the Joint Standing Committee on Electoral Matters—the one into funding and disclosure in 2001 and the review of the 2001 election taking place in this calendar year. So it does not seem to be a fly-by-night proposal that the AEC have. It does seem to be something that has been thought through, and they seem to be acting on it consistently. The point that Senator Abetz makes about one element of his criticism of the drafting of the amendment—and it is quite a vitriolic attack, I think, on the Senate Table Office, but I will let that go through to the keeper—

Senator Abetz—Don’t hide behind—

Senator FAULKNER—I do not claim to be an expert in traditional grammar. I have no doubt that you have had a better education than I have had, and I depend on drafters to make sure the grammar is right. But, if the grammar were wrong, I would apologise unreservedly for it. Nothing could be worse. It is not like the poor grammar that every now and again occurs in this place and gets fixed up by Hansard; here we have it in an amendment.

Senator Abetz—It’s legislation.

Senator FAULKNER—It is legislation; it would be terrible if we had some poor grammar in the Commonwealth Electoral Act. I am dealing with the principle here.

Senator Abetz interjecting—

Senator FAULKNER—I am dealing with the principle, Senator Abetz. But there is a substantive point that you make in relation to the term ‘registered political party’. That is a substantive point and I acknowledge and accept that. As a result, I seek leave to move an amendment to amendment No. 6 on sheet 2604.

Leave granted.

Senator FAULKNER—I move:

Before “political party”, insert “registered”.

In relation to the other matters that were raised by Senator Abetz, I note that part XX, ‘Election funding and financial disclosure’, division 1, section 287 of the Commonwealth Electoral Act deals with interpretation, definitions, disposition of property and gifts. As I am sure Senator Abetz and other senators would be aware, these are definitions that have been subject to considerable debate in this chamber in years past, and I have engaged in such debates myself. The definitions, I think, are clear in that division of the Commonwealth Electoral Act, and I commend them to the minister’s attention.

Senator HARRIS (Queensland) (10.28 a.m.)—In speaking to Labor’s amendment (6) I briefly go back to the information I conveyed to the chamber in my speech in the second reading debate—that is, the returns submitted to the Australian Electoral Commission for the financial year 2000-01 indicated that the Liberal Party received $21,813,658 in donations; the National Party, $6,659,664; and the Labor Party, $31,888,812. The Labor Party’s proposed amendment would involve a quite substantial amount in total. The total amount of all of those donations is in excess of $60 million.
So we are looking at quite a substantial issue in relation to electoral matters.

The previous amendments by the Labor Party, Senator Brown and the Democrats all focused to a large degree on the Commonwealth Electoral Amendment Bill (No. 1) 2002, proposed by the Liberal Party, which relates to the Liberal Party’s ability to determine their own distribution of electoral funding. This particular amendment by the Labor Party now steps out of the proposed bill and proposes to amend the Commonwealth Electoral Act specifically. I have no problems with the Labor Party doing that, because I believe this is one of the most important aspects of the actual committee stage, in that, when a bill is being taken as a whole, any senator can then move an amendment to the act itself. This amendment is actually an amendment to the act itself and, therefore, falls under a different set of circumstances; it is no longer looking at amending how the Liberal Party discreetly amend their internal affairs. This amendment to the act, if passed, will therefore impact on all political parties.

I would like to draw Senator Faulkner’s attention to several issues that he is proposing. The first of these is one that Senator Abetz has previously drawn Senator Faulkner’s attention to, but he has not, I believe, addressed the issue of the amendment speaking of a body corporate or unincorporated body. Therefore, does this amendment capture an individual? Does the amendment encapsulate an individual who makes a donation? If a donation is made not to the registered political party but directly to a candidate of a political party, does the proposed amendment capture that situation?

The amendment goes on to speak of ‘an authorised officer’. I seek clarification from Senator Faulkner as to whether that is a reference to an authorised officer of the Australian Electoral Commission or an authorised officer within the political party. If the responsibility for the actual auditing of the investigation is carried out by an authorised officer from within the political party then that is one issue. But if it is clearly a reference to an officer from within the Electoral Commission who is authorised to make that investigation, we have two totally different situations.

Senator Faulkner—It is an AEC officer.

Senator HARRIS—Thank you. Would the amendment capture an individual making a donation above $25,000? If the donation was made directly to a candidate of the political party and not to the registered political party, does your amendment capture that situation?

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (10.35 a.m.)—I will respond to those issues. The last issue is in relation to a candidate of a political party. The answer is yes, the amendment does capture that situation. In relation to an individual, this is the issue that the Special Minister of State raises. He says there is a lack of certainty as to whether individuals would be caught up or not. It is fair to say that that was the substance—if there was much substance—and the import of what he said. All the advice I have is that the amendment before the chair certainly catches individuals. If there is a lack of clarity and you are concerned about that, Senator Harris, and it needs to be spelt out—I do not believe it does—I would certainly be very comfortable with that, because that is the intention.

We are looking at body corporates, unincorporated bodies and individuals. But what does this mean? It is a very important thing for the chamber to understand, and you have to get a little behind what are very bland words on a piece of paper to understand the implications. The reason, of course, that the government is so concerned about this is that it includes trusts and foundations, and do I have to go any further to explain why the minister at the table is concerned about this?

Here is a reform that has been promoted by the Australian Electoral Commission for some time that the government has not moved on. The government is perfectly happy to bring legislation before this parliament to fix the internal difficulties of the state divisions of the Liberal Party, but it will not move on the crucial issues in relation to ensuring that those who donate to political parties are properly audited. That is the crucial issue here.
As we have indicated, the purpose of these compliance audits is to make an assessment as to whether the disclosure returns that are lodged by the political parties and by the associated entities of political parties are complete, accurate and proper records. That is precisely what this amendment is about. I am not going to duckshove and pretend otherwise. To give the Australian Electoral Commission some credit, I have absolutely no doubt that that is what they intended when they made these recommendations to the parliament to move on these issues. They are probably concerned with associated entities and foundations around the political parties. I am not even going to the point: if the committee wished, I could make a very long and impassioned speech about the Greenfields Foundation, for example, but I am not going to do that. I will say—and I will be absolutely clear about it—trusts and foundations will be caught up.

All the advice I have is that this wording is absolutely adequate. The minister raised the question about individuals. If a senator cares to propose a change to this amendment for clarity sake or if another senator believes that this is required for body corporate, unincorporated bodies or individuals, so be it. But that is the intent, and all the advice I have indicates that that will be the effect of such an amendment. We are always going to have the government arguing against these important reforms to the disclosure provisions of the Commonwealth Electoral Act. They never supported the disclosure provisions in the first place. Every change is opposed. These changes, step by step, are making a difference to the accountability of the political process in this country. Step by step, these are improvements. The obligation of the parliament is to keep making those steps, to continue to step forward and to continue to ensure that we have a political process in this country that operates with maximum integrity.

That is the intention of the amendment. I believe it is a small but positive step in the right direction. It is not as if this is just some fly-by-night proposition of the Labor Party. It is true that the Labor Party have supported this for some time, but it is something that the AEC has driven for some time. It is something that other political parties have supported, but not of course the government parties. Regardless of that, all these improvements to the disclosure provisions of the Commonwealth Electoral Act—in fact the provisions themselves—have been made over the opposition of the Liberal and National parties. That is just the way of Australian politics. Here is a chance for another incremental improvement. I commend it to the Senate.

Senator MURRAY (Western Australia) (10.42 a.m.)—You have to have some sympathy for the Australian Electoral Commission. In 1996 and 1998 they actually produced two comprehensive and encouraging sets of recommendations for improving funding and disclosure, which the Australian Democrats mostly supported. If you wanted to be harsh, you would say that the government and the Joint Standing Committee on Electoral Matters, of which I am a member, had been delinquent in not progressing as many of those proposed recommendations as they should have. If you wanted to be a little kinder, you would just say that they had been dilatory. Frankly, my memory is that, apart from this debate, where I have moved successfully one of those recommendations, which has passed the committee process already, and this one is being attempted, albeit in a slightly different form, I cannot think of many other recommendations that have been addressed. So it is a slow and difficult process to get reform in the funding and disclosure area, and I think it is because of the immense vested interest that is at stake with regard to all political parties and because of the serious matters at hand.

However, having given the AEC some comfort with those words in relation to their determined and persistent campaign in that area, nevertheless I have not been satisfied with the AEC’s performance in terms of their current powers. The AEC have, as the minister quite rightly outlined, investigative powers similar to those of the Australian Taxation Office, whereby they can, at their discretion, carry out investigations of any person or organisation to ensure compliance with the disclosure provisions of the act.
From my own personal recent experience, I am not satisfied that they do so with the full energy that I think they should. I think my experience is shared by the Liberal Party in matters of concern to them, by the Labor Party in matters of concern to them and perhaps by other parties as well.

I will give you the example which I used in the estimates committee. I would have thought that, on the face of it, the receipt of the donations disclosure return form from the Western Australian 500 Club would have raised alarm bells. I have not brought it with me, but that form showed that there was over $1 million worth of donations. Only three were itemised as being in excess of $1,500, yet the total came to well over $1 million. It is just not plausible on the face of it. When I questioned the AEC at estimates I thought their answers about the matter were less than energetic—let’s put it that way. I contrasted it with the Victorian 500 Club, whose return was excellent. It was properly filled in and properly detailed. It alarms me when you get two organisations of a similar kind putting in absolutely different disclosure returns. The purpose of funding and disclosure returns is that funding and disclosure are properly made and the public is reassured.

When Senator Faulkner wandered over just now and asked my opinion of his amendment, I told him that my inclination is towards it because the intent is dead right—that is, to make this area of law better policed and policed in a far more timely fashion. In my view, the government have had sufficient time and opportunity to amend this amendment. Or, if they wished, they could put in something different which would pursue the issues of encouraging the AEC to be more energetic about these matters and doing so on a more timely basis than an annual review. I think Senator Faulkner is heading broadly in the right direction; nevertheless, Senator Abetz has made a number of criticisms—I will refer to five that I have counted—which either have validity or deserve an answer. The first is on the issue of interpretation. That refers to whether ‘the body corporate or unincorporated’ covers the field. Instead of reading:

Where a body corporate or unincorporated has made...

it should rather read:

Where a body corporate, unincorporated body or individual has made...

Then you are quite clear as to the field. If I understood Senator Faulkner’s response to Senator Harris, he is sympathetic with that approach. Senator Abetz made a proper criticism which I think can be amended on the floor without much danger. Of course, we always have the protection of the House of Representatives. The government will have the opportunity to review these matters a little further when the bill goes before the House of Representatives.

The second area of commentary from the minister referred to the area of ‘gift or disposition of property’. I was aware that ‘gift’ was within the act as a definition; I had not remembered that ‘disposition of property’ was. They are defined; that means what it means in the act and that is the field that would be covered. I think the question from Senator Abetz is not really whether ‘gift or disposition of property’ are uncertain but whether it is appropriate for this process to be carried out. Perhaps Senator Faulkner needs to give an answer to that. The point made by Senator Abetz about the threshold was well made. Why it should be $25,000 rather than anything above $1,500—which is the disclosure level—may simply be a matter of convenience. The advice I have is that there are nearly 300 receipts above $25,000 in a year. I guess if you went lower—

Senator Abetz—Might I add that that is only the gifts; if we include dispositions of property that would undoubtedly balloon out.

Senator MURRAY—I take the interjection. Senator Abetz is indicating that it is a matter of volume and the obvious resource consequence, and I guess we have to be sensitive to the AEC’s budgetary needs. However, if bodies are not putting in proper returns, that needs to be addressed. The next point made by Senator Abetz, which Senator Faulkner accepted, was that a political party should be defined as a registered political party. That amendment has been made and accepted by Senator Faulkner and that is use-
ful. I think the words ‘or candidate’ should be added to that. Why should it be political parties and not candidates? If a candidate receives more than $25,000 I do not see why that should be excluded. Perhaps Senator Faulkner will have a different response. Senator Abetz raised the issue of the word ‘must’. Frankly, you need to use ‘must’. The AEC have not illustrated to the JSCEM or to me in estimates to my satisfaction that their discretion is at all times used energetically. The next area covered by Senator Abetz was whether an investigation meant a compliance audit. I assume that is what it means; I would not be able to advise whether ‘investigation’ should be changed to ‘compliance audit’.

The last point I have noted from Senator Abetz is that, of course, it would have to be within their knowledge—you cannot investigate something if you do not know about it. Whether that needs to find expression at all in the amendment, I do not know. It is not for me to address all those matters; it is for Senator Faulkner. I think they are legitimate matters which need an answer. However, the amendment that would at least satisfy one part of that, which I would be quite happy to move, would be the one I addressed very early on. That amendment is to substitute ‘Where a body corporate or unincorporated has made’ in item 6 with the words ‘Where a body corporate, unincorporated body or individual has made’. I am happy to do that, but I think Senator Faulkner needs to answer some of those—

The TEMPORARY CHAIRMAN (Senator Bolkus)—Senator Murray, when do you intend to move that amendment?

Senator MURRAY—Perhaps I can move it now and give it to the attendant to circulate, and then Senator Faulkner can relax whilst I finish my remarks, if that is acceptable.

The TEMPORARY CHAIRMAN—I am not so sure he will relax, but we will take your amendment now.

Senator Faulkner—I am always relaxed!

Senator MURRAY—I think I am meant to reply, not relax, so let us correct Hansard on that basis. Senator Faulkner, before we deal with that specific small amendment, you might want to expand on some of the points that I have made, which I think wrap up Senator Abetz’s and some of Senator Harris’s remarks.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (10.54 a.m.)—I thank Senator Murray for his contribution. I have indicated in answer to Senator Harris, as you would be aware, Senator Murray, that my advice on the change you propose in relation to ‘body corporate, unincorporated body or individual’ is that that is not necessary. Given the intent of the amendment, which I do not want to go over again because I have explained its intent, I have no problem with such an amendment if it spells out for the benefit of the committee, more clearly than the current wording of the amendment, this particular matter. All the advice that I have is that the amendment adequately deals with this issue. I am more than happy with the changed wording, which leaves no doubt at all on the matter. We can deal with that via an amendment by Senator Murray or I am happy to seek leave to amend my own amendment if it would assist the committee.

I have spoken to the other issues that Senator Murray has canvassed, but he is right to suggest that I have not dealt with the question of a registered party or candidate. I make the point to Senator Murray that, of course, a gift to a candidate where that candidate is nominated by a political party is deemed to be a gift to the registered political party. Let me pose to Senator Murray this issue: we may have a circumstance where a candidate is not a candidate of a registered political party. I think Senator Murray is nodding his assent to that being the issue he raises. It is not beyond the bounds of possibility that a candidate not representing a political party could receive a donation or gift of the amount that is suggested in this amendment. It is not a common occurrence, as I think every senator in the chamber knows, but it is a matter that we can take account of.

In large measure, this issue of gifts is picked up because a gift to a candidate who is endorsed or nominated by a political party is, as I have said, deemed to be a gift to the...
political party itself—hence the nil returns and the like that are lodged by so many candidates, which senators would be aware of. I am happy to make that change if it assists the committee and if it increases the likelihood of this important amendment being supported in the chamber, because I accept that there is a possible loophole there and I do not think we should be in the business of creating any possible loopholes. I am keen to ensure in this committee debate that no technical point remains unaddressed. If it would assist Senator Murray, I would be happy to seek leave to make both the changes. That might save some time. Senator Murray, would that suit your purposes?

Senator Murray—No worries.

Senator FAULKNER—Mr Chairman, I seek leave to amend amendment (6) on sheet 2604 to substitute the words ‘where a body corporate or unincorporated has made’ with ‘where a body corporate, unincorporated body or individual has made’ and further, in the same amendment on sheet 2604 revised as amended, after the words ‘registered political party’ to insert ‘candidate’.

Senator Abetz—‘Or candidate’.

Senator FAULKNER—After ‘registered political party’, insert ‘or candidate’.

Leave granted.

Senator FAULKNER—I move:

Omit ‘Where a body corporate or unincorporated has made’, substitute ‘Where a body corporate, unincorporated body or individual has made’.

After ‘political party’, insert ‘or candidate’.

I hope that deals with the issues before the chair. I think it is important, in all these committee stage debates, that if any areas of uncertainty arise we should sort them out. This amendment has been circulated now for over 2½ weeks—and, of course, the bill has been before us for a considerable period of time—and there has been some opportunity for feedback and contact about it. I am very keen for us, in all areas relating to electoral law, to make sure that we do deal with any technical points. It is absolutely crucial that we get these things right, as I think other senators would agree. But we do not want—and I do not want—to have a debate about technical points and miss the overwhelming principle here. I will certainly accept any of these technical amendments, because the crucial thing is this important change to the electoral law—and I think that this is a small but important step in the right direction—and I am pleased that we are able to use the opportunity of this committee stage debate to make those changes. My interest here is to try to ensure that a majority of this committee can find favour with the important principle that we are dealing with. Hence, if it is possible to nuance the amendment that stands in the name of the opposition in such a way that it will find favour with a majority of the committee, I think it is a very positive development indeed. I suspect that we have dealt with and accepted these technical amendments and that it is now a matter for the Senate committee to look at how it will deal with the important principle that is contained within them.

Senator HARRIS (Queensland) (11.03 a.m.)—Speaking to the second part of Senator Faulkner’s amended amendment on sheet 2604—his suggestion to insert ‘or candidate’ after ‘a registered political party’—my concern is that we have a specific reference to a section on the Senate ticket that speaks of ‘an Independent candidate in the Senate’. In order to encapsulate that but not to take away from what Senator Murray has said, I believe that if the words ‘Independent candidate’ were placed in Senator Faulkner’s amendment—not wishing to turn this into a Demtel ad—that would clarify the situation even further. I propose the insertion of the word ‘Independent’ in front of the word ‘candidate’ that Senator Faulkner has already added. That would definitely pick up the situation where we have an Independent candidate for the Senate and would also clarify cases where there is an Independent candidate in the House of Representatives. I put that to Senator Faulkner for his consideration.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (11.05 a.m.)—I think that would be a step backwards, Senator Harris. The amendment as it now stands is broader and is likely to be able to deal with all situations. I think
the point I made before about the fact that most candidates are candidates of registered political parties submitting nil returns is a perfectly reasonable one, but let us not define ‘candidate’ further. ‘Candidate’ is a well-understood and well-defined term and concept in electoral law. Once we start putting adjectives such as ‘Independent’ in front of that—

Senator Abetz—The lights in the chamber are going out, John.

Senator FAULKNER—Yes, I can see that.

The TEMPORARY CHAIRMAN (Senator Bolkus)—That’s Howard’s Australia for you.

Senator FAULKNER—I am not surprised; in fact, I thought the lights had gone out under the Howard government.

Senator Abetz—All the polls aren’t telling us that.

The TEMPORARY CHAIRMAN—Senator Abetz, I would cut my losses if I were you.

Senator FAULKNER—It is certainly getting darker and darker in here, I can tell you. It has got me worried. I know I am not popular in this place, but it is ridiculous. I did not think they would try to shut me down like this!

The TEMPORARY CHAIRMAN—I am sure, Senator Faulkner, that we also fear being in the dark with you. Please go on.

Senator FAULKNER—Here am I, struggling on to throw light on what the government is doing with the ‘dash for cash’ bill and, slowly but surely—

The TEMPORARY CHAIRMAN—Please proceed, Senator Faulkner, despite the forces of darkness.

Senator FAULKNER—I think that the forces of darkness are winning, by the look of this. Senator, I think that the proposal you make would be unhelpful as it may narrow the intent of this amendment. The intent is clear: all parties and all candidates should be subject to these provisions. I do believe that this matter is best dealt with this way. As I have indicated previously on these matters, you really do have to ask yourself what the motivation of the government is in relation to this legislation. It is useful for the chamber to use the vehicle of this legislation to improve the disclosure provisions of the act, but behind this legislation, I remind the committee, is this extraordinary attempt by the government to fix the internal problems of the Liberal Party of Australia. It is without precedent to use the Australian parliament to fix the internal political problems of the government party—or, for that matter, of any political party. I seek leave to table a document from the Liberal Party of Australia Queensland Division, a copy of which I have given to the minister at the table.

Leave not granted.

Senator FAULKNER—I am disappointed, but not surprised, that the government would try to cover up this particular document and not have it placed on the public record. I did want to ask whether the document was in fact a genuine document. It is on Liberal Party letterhead and it is headed ‘Liberal Party of Australia Queensland Division’. It is a memorandum to state council members from the state president and its date is 16 September 2002—earlier this week. The subject of this memorandum is a state council update. As you would expect in such a memorandum, it appears to have been signed by Mr Michael Caltabiano, the State President of the Queensland Division of the Liberal Party. A whole series of issues was raised at the federal executive. I want to quote from this document. I cannot table the document in the chamber, but let me quote from it:

On Friday 13 September I attended a meeting of the federal executive and reported on the outcomes of the state convention and other issues relating to the Queensland Division. My report can be summarised in the following points...

Then a series of points are made. The second last dot point of this document is the one that I want to draw to the attention of the chamber:

Federal funding bill before the Senate is not supported by the division. Funding should be directed to the state divisions.

That is what this document says. I think that we are entitled to know what the status of this document is. We all know that the
Queensland Division of the Liberal Party leaks like a sieve. Given the number of documents I receive from the competing factions of the Queensland Division of the Liberal Party, I always make the qualification before I make them public that I do not know whether they are genuine documents or not. But if this is a genuine document then I think that this committee, this chamber, needs to take serious account of it.

Do not forget what Senator Murray said in his speech on this bill a little earlier—I have referred to it on a number of occasions and I make this point very seriously to the Australian Democrats and Senator Murray. Senator Murray and the Australian Democrats have not accepted the fundamental premise that Labor has argued about this legislation that the motivation for it is that the Liberal Party cannot sort out its internal problems. I do not know why Senator Murray has not accepted that. It seems to be as plain as the nose on your face, but he has not accepted it. He said in his speech:

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.

Senator Murray said to the chamber:
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.

He said:
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.

If this letter is genuine, Senator Murray, you now have that evidence. I might say to the Australian Democrats and other minor party or Independent senators in this chamber that if this memorandum is a genuine one think of when it was produced—16 September 2002.

These things can be elaborate hoaxes. We know that the warring Queensland Liberal Party factions get stuck into each other on a regular basis, so it could be a forgery. It could be a very elaborate forgery. But what if it is not? What if it is fair dinkum? What if, while this bill is in the committee stage of debate in this chamber in the Australian parliament, you still have the Queensland Division of the Liberal Party making it absolutely, categorically clear that it does not support the bill?

The Queensland Division of the Liberal Party is saying that what the Labor Party has said about this bill from day one—that it is an attempt to use the Commonwealth parliament to get an internal fix for the Liberal Party—is right. You have the President of the Queensland Division of the Liberal Party, if this document is fair dinkum, making absolutely clear that it does not support the bill. And you know why the bill is before the parliament? Because the party cannot get agreement around the state divisions. They cannot do what any reasonable political party that is organised on a national or federal basis could do: come to an agreement between their state branches or divisions about the distribution of public funding moneys. The Labor Party does it. It is only a matter of signing a document and giving it to the Australian Electoral Commission. The Liberal Party cannot do it. They cannot get agreement among their state divisions. So what they do is abuse the parliamentary process and get the parliament to fix their internal problems. I say very respectfully to the Australian Democrats: if you did not think beforehand that this bill was an attempt to fix the state divisions, I hope you accept now that, if this letter is genuine, that is very much the case. The fix has gone in over the wishes of at least one state division: the Queensland Division of the Liberal Party of Australia.

So I say to the minister, Senator Abetz, that we are entitled to know whether this document is a genuine document—it has been leaked all around the place—or whether it is some elaborate forgery from the Queensland Division of the Liberal Party. It is essential to know, before we determine whether the ‘dash for cash’ bill is voted on and passed in this chamber, whether this document—apparently signed by Mr Caltabiano, the State President of the Queensland Division of the Liberal Party—is fair dinkum or is a fake. I ask the minister at the table: what is the status of this document that
he has refused to allow to be tabled in this chamber?

Senator MURRAY (Western Australia) (11.18 a.m.)—For the purpose of the record I need to repeat some things I have said. The first issue you should look at with the Commonwealth Electoral Amendment Bill (No. 1) 2002 is: will it result in any further cost to the taxpayer? The answer on every basis that I can understand is no, it will not. So you then get to issues of principle, which is what Senator Faulkner has been about. The second issue I am concerned about is whether the bill will benefit or give a political party an advantage over other political parties. The Australian Democrats have amended the bill to ensure that the principle of universality applies; namely, that all political parties have access to the same process which has been laid out in this bill for the Liberal Party. So then we have to deal with the issue of whether this in fact fairly reflects the Liberal Party’s desires in pursuing these amendments through the government. Senator Faulkner, you quoted me accurately but you left off the bit where I said:

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.

And they were two members of the Liberal Party. I am not blind to the view that some members of the Liberal Party oppose this. That is all I want to recap on those areas.

I should now ask the minister, Senator Abetz, whether he is aware that the state division of the Queensland Liberal Party in fact passed a motion or gave some formal authority to their representative on the federal council to oppose this bill, in which case I presume they would be subject to the law of numbers anyway. I do not know how many sit on the council, but if it were 20 to 1 it would be 20 to 1 and that is the end of it. But the inference behind what Senator Faulkner is saying—unless I misunderstand you, Senator Faulkner—is that there is disaffection in pretty well all the divisions, and I presume that includes the territories. I cannot see how this issue could advance if that were so. To satisfy the public record, it is really a question of: is it within the minister’s knowl-

edge as to whether this is one division out of many that is upset or simply one division that is coming before us through this leak? And of course overlaying all those questions has to be the fundamental question that Senator Faulkner puts as to whether this is a fabrication, manufactured conveniently on 16 September for the purpose of this debate, or whether it is a true document.

Senator ABETZ (Tasmania—Special Minister of State) (11.21 a.m.)—I want to raise a number of issues. I do not know whether or not it is an authentic document or what the internal machinations are in Queensland. I notice Senator Ludwig coming into the chamber. I think a certain Mr Bill Ludwig was reported in the media today with regard to certain internal matters. To suggest that there might be differing views within political parties on differing issues—

Senator Ludwig—That was when they switched out the lights.

Senator ABETZ—That was on the Democrats. When I start speaking, the lights come back on, Senator Ludwig—as you will appreciate! Of course, Senator Ludwig would also appreciate this in relation to politics. Do not tell me, for example, that on the issue of Iraq the Labor Party is perfectly united. Do not try to assert to me that, on the issue of tax reform and on whether the GST should have been opposed as it was at the last election, the Labor Party was absolutely united. Do not seek to assert to me that the Australian Labor Party is absolutely united on the issue of privatisation—and so the list goes on. Whether or not the document is accurate, I do not know. Even if it were accurate, the question is: what difference would it make? Senator Murray made that point quite clearly. I am not a member of the federal executive or the Federal Council of the Liberal Party but I would assume that, if the organisations were against these proposals, they would have let that be known publicly in the appropriate manner. Clearly, that has not occurred. Apart from the view that is expressed, allegedly on behalf of Queensland, no other state division nor indeed the ACT division of the Liberal Party has expressed a view.
This is a typical tactic of the Australian Labor Party. One amendment which has only three lines has already had over three amendments to it. When you point out the fatal flaws in the opposition’s amendment, what do they do? They talk about everything but those fatal flaws. Those who tuned in earlier to this debate would note that, in my criticism of the amendment, one area that I did not get into was the $25,000 threshold figure. Yet that is what Senator Faulkner started off on. He has been completely incapable of addressing all the questions I asked about all the other aspects of the amendment. What did he do? He concentrated on the $25,000 figure that I did not even raise or talk about, yet he tried to turn the debate onto me as minister at the table to answer questions about his own amendment. It was for him to justify that threshold figure of $25,000. He spent most of his time responding to my questions, trying to build up this straw man and trying to get my attention away from the fundamental flaws in this amendment, and to get me to talk about whether or not $25,000 is an appropriate figure.

The simple fact is that, even with a figure of $25,000—if we deal with both gifts and dispossession of property; and this amendment does—there have been 278 gifts alone in the last financial year 2000-01, which will of course balloon out if you also include dispossession of property. Allow me to remind the Senate and, in particular, the Australian Democrats that, in section 287, part 20, division 1, disposition of property is defined. It includes all manner of things. The term is very inclusive and means ‘any conveyance, transfer, assignment settlement, delivery, payment or other alienation of property’. If a publicly disclosed account—in fact, one of the minor parties has one; it is a substantial war chest, as I understand it, of $90,000—were transferred from one account to another account with the same bank, it would attract, under this proposal, an investigation by the Australian Electoral Commission. How could anybody be so stupid as to want to support an amendment that would require the Australian Electoral Commission to undertake an investigation of a transfer of the same amount of money between two accounts in the same bank? It is a transfer and it would be caught. You would send somebody from the Australian Electoral Commission down to the Commonwealth Bank to investigate that transfer. We still have not been told the purpose of the investigation. Why would it be investigated? Why is the investigation required? We still have not heard answers to those fundamental propositions.

I note that Senator Faulkner has tried to put a hotchpotch together of amendments to try to make his amendment workable. I say to the Senate that it is still unworkable. While Senator Faulkner is undoubtedly stopped by sheer pride from acknowledging that and taking it away and putting it before a committee for consideration, I would have thought that the Australian Democrats, at least, would have said that this has been done on the run and there are significant problems—problems that I have raised and that Senator Faulkner has not been able to resolve. I trust that the Democrats are listening now, and not listening to Senator Faulkner trying to lobby them in the chamber. It is a tactic of Senator Faulkner’s to do that, because he does not want people to learn about the fatal flaws of Faulkner’s folly in this amendment.

The TEMPORARY CHAIRMAN (Senator Bolkus)—Senator Abetz, you must refer to the senator’s correct title.

Senator ABETZ—Senator Faulkner’s folly—that is what this amendment will be known as. It is unworkable. The Australian Democrats must know that. Sheer pride is stopping Senator Faulkner from acknowledging that. I would ask the Senate that we now move on to the vote. We have now spent literally hours and hours on a very simple piece of legislation that the Labor Party has tried all manner of tactics to stop, to slow down. It has tried to get the discussion onto all sorts of other things—every distraction in the book. The simple reality is that this amendment is so fatally flawed that it deserves to be knocked out. There is nothing stopping this proposal from being submitted to the Joint Standing Committee on Electoral Matters in its consideration of the 2001 election.
Senator Faulkner—Submit the whole bill.

Senator ABETZ—Senator Faulkner says to submit the whole bill. The simple fact is that the whole bill has been to a committee of this parliament.

Senator Faulkner—Which panned it mercilessly, which was a humiliating experience for the Liberal Party.

Senator ABETZ—It has been on the table for over 12 months. Noisy Senator Faulkner; whenever you have got him on the run he thinks that noise somehow overcomes the need for facts, for logic—

The TEMPORARY CHAIRMAN—Order! Senator Abetz, you are being somewhat provocative at the moment. Would you like to get back to the issue.

Senator ABETZ—Excuse me, Mr Temporary Chairman! I would have thought that that interjection by Senator Faulkner was completely unwarranted, and I would respectfully suggest that you do not allow any bias, which I am sure you do not take with you to the chair, to influence the way you comment on the conduct of this chamber. But I will not be provoked by the unruly interjections of your party leader.

To continue, the simple fact is that Senator Faulkner’s amendment is fatally flawed. The Labor Party know it. The Democrats know it. I would hope and trust that the Democrats would see reason and defeat this amendment. It will do nothing. It is unworkable. Send it to a committee, as the whole original bill was sent to a committee of this parliament over 12 months ago. It has been in the public arena; it has been on the table for ages. People have been able to make submissions to it. It was publicly advertised. Only two people from the public made a submission—four submissions in all. It excited no interest amongst the Australian public, yet it has excited all of this venom and vitriol from the Australian Labor Party, but for no good reason.

We have submitted our proposals to the committee process, and it is incumbent upon the Australian Labor Party to put their amendments before the committee process as well. I simply say that, if they had done that, they would not have been in the humiliating position of having to try to fix up their basic grammar and get their definitions right—with, might I add, the further amendments that have now been made, which I am happy for them to make—because the whole thing is unworkable. But some of these amendments, I suggest, will make it even more unworkable, because some of the terminology simply does not marry with the terminology that is in the bill. It will be inconsistent. We are going to have different names for different things. And does it mean the same thing? Who knows?

That is why these things should go to a committee, and that is what I invite the Australian Democrats to do if they are genuinely serious about reviewing legislation in this place. They know that this clause has got difficulties, and what would be the difficulty in submitting this to a committee and then allowing the Senate to vote on it, let us say, in six or 12 months time? There would be no difficulty with that. But, as I say, the proposed amendment is fatally flawed. No manner of obfuscation, of trying to bring in the Queensland division or other things, will overcome the flaws of the amendment that is before us.

I am sure that if Senator Faulkner does make a further contribution in this debate he will not be talking about the fatal flaws of his amendment; he will be telling us all about division in the Queensland Liberal Party, whilst of course overlooking the divisions in his own party on things like Iraq and privatisation and, if we want to talk about divisions, on quotas, on the 50-50 rule and on the 60-40 rule. Most importantly of all, he will not be telling us why the Australian Labor leader, Mr Crean, is languishing in the polls as 20 per cent preferred for Prime Minister—and the reason for that is that his foot soldiers in the Senate, like Senator Faulkner, spend all of their time playing this game of petty politics rather than developing hard policies for the benefit of this country. They love playing their games of politics, but they do not come out with policies. That is why, when people are asked whom they would prefer as Prime Minister, Mr Crean and his Labor Party are reduced to 20 per cent. Peo-
ple say, ‘Get on with the real game that Australians want you to get on with.’ And that is what I invite Senator Faulkner to do. Get rid of the vitriol, get rid of the venom, deal with the actual technical matters of your amendment and then let us have a vote on it and get on to discussing the real issues that are of concern to our fellow Australians.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (11.35 a.m.)—We have heard from the minister that he believes the proper course of action in relation to the amendment before the chair is to send it to the Joint Standing Committee on Electoral Matters so it can get full and thorough consideration. That is a perfectly reasonable point to make. He did not make it when the Democrat amendment was before the chair. Oh no! That was okay; that was fine for Senator Murray to move a major amendment to this legislation, because the minister felt that that was the best chance of seeing this legislation pass—one rule for substantive Labor amendments, and another rule for substantive Democrat amendments. No proposal by Democrat senators by way of amendment before this committee has the minister at the table suggested should go to a committee for further examination. What hypocrisy!

It is such blatantly opportunistic and transparent politics from the minister at the table. Come up with a better excuse than to say that this amendment should go off to a committee—when this amendment is no more significant than the quite substantive technical amendment from Senator Murray that the minister at the table welcomed. The minister wanted to put in the fix. He wanted to get the legislation through. That is the principle on which the minister works. He says, ‘Don’t come into the chamber and talk about the motivation of the government in introducing this bill.’ It is unprecedented in the history of the Commonwealth of Australia for a government to propose legislation to fix the internal problems of the governing political party. It has never happened in the history of our country; nevertheless, that is what we have before us now.

This is rotten legislation. It is probably the worst bill I have seen in the 13 years that I have been a senator in this place. I find it extraordinary that the minor party senators could even contemplate passing this legislation. We are being asked to take sides in an internal Liberal Party fight. Senator Abetz says there are divisions in the Labor Party. Well, there are divisions in all parties—differences of view. He says there are divisions in the Labor Party on Iraq. He says there are divisions in the Labor Party on tax reform. He says there are divisions in the Labor Party on privatisation. There happen to be divisions or differences on a whole range of political issues. That is part and parcel of the political process. I accept that within all political parties there are differences. We all know that that is the case. It is just what you would expect. Everybody knows it. There is no news in the fact that there are differences of views contained within political parties. What is different here is that the Commonwealth parliament is being asked to fix these divisions in the Liberal Party, not the fact that there are different views in political parties. Of course that is the case. The position here is that the Commonwealth parliament is being asked to fix the problems in the Liberal Party. You can go beyond that: we are actually being asked to take sides in an internal Liberal Party fight. The minister at the table would not allow the memorandum from the Queensland division of the Liberal Party to be tabled in the parliament. He would not give leave for it to be tabled. He does not want to know about it.

Senator Abetz—Before, you said it might be a forgery.

Senator FAULKNER—Is it a forgery? Is it fair dinkum or not? I happen to believe, given the communications to the Labor Party, that it is a dinky-di document. It is fair dinkum and you know it is fair dinkum. But if you think it is a forgery then tell us.

Senator Abetz—How would I know?

Senator FAULKNER—Step up to the plate. Ask your Queensland Liberal Party colleagues who sit in this chamber. Get on the phone to Lynton Crosby and ask him. Tell us if it is fair dinkum or not. Of course you will not. Earlier this week, we had the Queensland division of the Liberal Party saying this, under Mr Caltabiano’s signature:
The federal funding bill before the Senate is not supported by the division. Funding should be directed to the state divisions.

That is why this bill is before the parliament: the Liberal Party cannot get agreement in its state divisions. It cannot get agreement about the disbursement of public funds, so it asks the Commonwealth parliament to legislate so that the National Secretary of the Liberal Party of Australia has the power to enforce a public funding disbursement on the state divisions. That is what this parliament is being asked to do with this legislation. It is unprecedented. It is the most rotten piece of legislation that we have seen come before this parliament in decades.

The Commonwealth Electoral Act allows parties to structure themselves. That is the whole principle. Political parties organise themselves the way they want to. You do not have the Commonwealth Electoral Act discriminating in any way in favour of one party structure over another party structure. You organise yourselves how you want to organise yourselves. It is up to the party members. It is up to the party organisation. It is up to the parties themselves to organise this matter. It should not be up to the Commonwealth parliament to put the fix in on a matter like this. The fact is that some people in the Liberal Party—the majority, I have no doubt—want to centralise public funding and the disbursement of public funding, but others do not. That is the reason we have the legislation: to force those that do not want to centralise public funding disbursement to come to the party. That is what it is all about. That is not a good enough reason to amend the Commonwealth Electoral Act. That is not a good enough reason to change the electoral law of this country. This is an absolutely crucial issue of principle. Party structures, party organisations, should not be preordained by the Commonwealth Electoral Act. It is such an undemocratic thing to do. It is extraordinary that the Commonwealth parliament is being asked to ride roughshod over state divisions of the Liberal Party.

It is absolutely mind-boggling that legislation like this is before the parliament and even more extraordinary that Senator Murray tells this parliament that he does not care about it. I do not understand it. I do not understand why the Australian Democrats—particularly Senator Murray, who handles these matters on behalf of the Australian Democrats and has a very good understanding of the electoral law in this country—just cannot see or acknowledge the motivation behind this legislation. There must be a deal; there must be an arrangement. I would respect you more, Senator Murray, if there was a deal, if you had some long-term arrangement with the Liberal Party—because if you are doing this without any side deal then you have got to have rocks in your head. You talk about high principles in your approach to reforming electoral law—and, in large measure, I embrace those high principles—but this is as pragmatic as it gets. This is as lowbrow as it gets in politics: put the fix in, through the Commonwealth parliament, to fix the internal divisions in the Liberal Party of Australia.

There is no good reason for the Australian Democrats or any other minor party or independent senators in this chamber to come to the rescue of the Liberal Party on this matter. There is no good reason for them to do it, with their complex and wordy amendments that have not gone to the Joint Standing Committee on Electoral Matters. Why don’t we shoot the whole thing off to the Joint Standing Committee on Electoral Matters? Why doesn’t the whole bill go off there—and all the amendments? What is wrong with that sort of process, if we are going to have a proper examination of these matters? No reason has been put forward by any senator in this chamber as to why the bill and all the amendments should not be considered by the Joint Standing Committee on Electoral Matters.

I do not understand, Senator Murray, why you are going to such lengths to accommodate the Liberal Party. I simply do not understand why you would do such a thing. Why would the Australian Democrats, if you support this legislation, assist the Liberal Party in this effort to debauch the Electoral Act? It is an open-and-shut rort of the Commonwealth Electoral Act and an attempt to rort the processes of electoral law, not to mention the internal processes of the Liberal Party—
but they are subject to regular rorting, as we know. I say to Senator Murray and the Australian Democrats, through you, Mr Chairman: if the Australian Democrats support this bill—and I hope they do not—I believe you will be judged very poorly for it. I genuinely believe that your report card on electoral law will be marked forever. If you do it, I believe it will be marked with an F for fail.

Senator Murray interjecting—

Senator FAULKNER—It is no laughing matter, Senator Murray. These are important issues. This is the first ever attempt in the Commonwealth parliament to see a party of government legislate to fix its own internal political problems. It has never happened in the history of the Commonwealth. You sit there idly by and contemplate it. I think you have got to have a good look at what you are doing. This is a last chance. I want to see this legislation defeated, but if it is not defeated then at a minimum it should go to the Joint Standing Committee on Electoral Matters for further examination—along with your amendments and my amendments that I have moved on behalf of the Labor Party. We should take them all there and have a good, long, solid look. Let us get behind what Mr Caltabiano’s objections are. Let us have a proper, thorough, open and transparent examination of this legislation, which is what is deserved.

That is what you, Senator Murray, have so often and so properly—and I commend you for it—supported. You know what a farce the reference through the selection of bills process to the legislation committee was. You know what holes were torpedoed through this legislation when that reference occurred before the last election. You do know that. So even if you contemplate passing this bill, I urge you to contemplate it only after that sort of examination. Let us tease it out—let us see whether Mr Caltabiano is fair dinkum in what he is saying. There is no doubt, given the phone calls that have now come into my office from members of the Queensland division of the Liberal Party. It is proof positive of what we are facing here: an open-and-shut rort. Do not be associated with it. (Time expired)

Senator ABETZ (Tasmania—Special Minister of State) (11.50 a.m.)—I did not realise that I was so prophetic when I indicated that the Leader of the Opposition in the Senate would spend all his time in vitriol and venom and not address a single technical issue that I have raised in relation to his amendment to the Commonwealth Electoral Amendment Bill (No. 1) 2002. Let us not forget that it is his amendment that is currently before this chamber for consideration. Serious technical matters have been raised, but he has used the 15 minutes allocated to him to vent his spleen and frustration and to try to besmirch the Liberal Party and has failed to address the technical issues that I have thrown before him.

Senator Faulkner is in fact not paid by the taxpayers of Australia to stand up in this place and spray forth his venom and vitriol; he is paid in this place to consider legislation and the technical issues that are raised. He has completely failed in that task. And then the Australian Labor Party sit around, scratching their heads and saying, ‘Why is it that the opposition leader enjoys 20 per cent support in the polls?’ It is because of people like Senator Faulkner, the opposition leader in the Senate, failing to come to grips with what the Australian people actually expect of their parliamentary leadership in this nation, and that is that they spend their time in this place fruitfully considering legislation.

I am sure that those listening in would agree with me that simply raising the decibels in the debate, raising your voice, does not make your argument any stronger; it does not mean there is more merit to your case. Usually what it does show is that you cannot deal with the issue at hand so you become frustrated and therefore vent your spleen. But we have had no answers in relation to all the matters that I have previously raised in relation to Senator Faulkner’s fatally flawed amendment.

I would ask: ‘Isn’t it amazing that, whenever you get up to address something for the chamber’s consideration, Senator Faulkner walks around, hoping that those who might
cast an independent mind on the matters before us are not able to listen to the government’s contribution? But I think he is now returning to his seat, and I am grateful for that. No, he is not; he is returning to the Democrats. That confirms his ill manners and his deliberate attempt to ensure that the Democrats are not able to hear what I am about to say.

This memo does have a ring of truth about it, I must say. It talks about a very successful Liberal Party convention, thanks being extended to the Prime Minister and membership growth being healthy. It does have a certain ring of truth about it, so it may well be a genuine document. But I am advised, for what it is worth, that the state president of the Queensland division briefly raised a concern about this matter at the most recent federal executive meeting. He was alone in expressing any concern. He did so in the mildest of terms, unlike the hysterical contribution of the Leader of the Opposition in the Senate, trying to beat it up. He is trying to beat it up more than I am led to believe the state president of the Queensland division did. His concern was not supported by any other member of the federal executive. I am also advised that the matter of this legislation has twice been debated by the federal executive on earlier occasions and a resolution unanimously accepted in line with the terms expressed within the proposed legislation. So much for Senator Faulkner’s theories.

If you have a look at what is in this memo—and let us just for a moment assume it is correct—it says that the federal funding bill before the chamber is not supported. That is a lot different from asserting that it is in fact opposed. That is a big difference and Senator Faulkner knows it—in saying, ‘I don’t really support it but that doesn’t mean I will oppose it.’ That terminology, if it is correct that it was not supported, links in with what I have been told about the state president raising the issue in the mildest terms. What do we have? We have Senator Faulkner trying to take to this with the egg-beater and whip it up into something because he has nothing to say about the fatal flaws in the amendment that he has put before this chamber. I remind the chamber that we are not talking about the ills and evils of a particular division or something within the Liberal Party; we are in fact debating Senator Faulkner’s own amendment, in which he is showing very little interest. I would simply invite the chamber to acknowledge the fact that Senator Faulkner is unable to deal with the technical matters I have raised and, as a result, we as a committee should be rejecting Senator Faulkner’s ill-considered amendment.

**Senator MURRAY** (Western Australia) (11.57 a.m.)—I will need to enter the debate briefly, given what I thought was a very honest and passionate plea, almost, from Senator Faulkner. We commence with the position of government with respect to legislation. We know, in this place, that it is the government that determines the legislative program, and it is their right to bring forward any legislation they wish. I previously said, in response to these matters, that if you asked me whether I would have a desire to bring forward this legislation, the answer would be no. But it is my duty, as a spokesperson on electoral matters, to deal with it and that is what I am doing.

The second issue is whether I would have passed the bill as it stood. No, I would not, because it is sectional. So I have moved an amendment, which has been accepted by the committee, to apply the principle of universality—in other words, the provisions which were put forward to apply to the Liberal Party will be made available to all political parties. The question then arises as to whether the Commonwealth Electoral Act will now mandate or require all political parties to change their current operation with regard to matters of funding distribution. The answer is that no, it will not. The new law is an option. It provides choice. The Liberal Party, on the understanding before us, decided unanimously—and the minister has put it on the record—at their federal council, at which all state divisions are represented, that they will access a funding distribution mechanism which this bill applies and which is different from the one they presently have.

Our having passed the amendment moving universality does not change anything for the Labor Party, the Democrats, One Nation
or the Greens. We still have the right, as we had before, to choose the method by which we receive funds. The effect of the bill now is in fact to enlarge the options which were formerly available; it is not a mandated situation. Does the bill result in an extra cost to taxpayers? No, it does not.

Then we get to the fundamental issue, which is at the heart of Senator Faulkner’s honest and strong feeling about this bill: is it right and proper that it is dealt with? Is it right and proper that a mechanism of this sort is introduced, which will affect the way in which the Liberal Party will manage its own affairs? The supposition underlying that from Senator Faulkner is that there is strong internal Liberal Party opposition to it. I do not know whether that is so or not. I surmise that it is certainly so in Queensland, based on this letter and what I would accept as an honest report back that you are getting a number of phone calls from Liberal members in Queensland saying that it is so. Whether it is so across the nation I do not know. I am still in a situation where neither I nor the committee previously has received any official advice from anyone on these matters. Now that it is on the record and the minister has recorded the nature of the interaction on this matter at the Liberal federal council, it is open to Mr Caltabiano to write to the Senate and say he has been misrepresented. If he does, that will be an issue at hand.

The last matter put is an imputation as to motive, and I do not take offence, Senator Faulkner, because I do not think you meant it that way. I will say to you that I have dealt with this straightforwardly in the manner outlined—there is no deal. On that judgment, because there is no deal, you can class me as a mug. I am simply dealing with this issue on its merits against a basic set of judgments I have made: firstly, I made sure it would apply universally; secondly, I made sure it would be an optional choice or expansion of choice rather than mandated; thirdly, I would make sure that it would provide no additional cost to taxpayers, and that is all—that is the end of it.

I think I understand some of your passion, but I regret to tell you that this is the way we have viewed it right throughout. If there was any sense of a deal in it, then by now you should realise that there is not, because we have passed Senator Brown’s amendment; we are grateful that our amendments, apart from one, have passed; and I am about to tell you that we are going to support your amendment, regardless of the Special Minister of State’s strong opposition to it. We will do this simply because we think the intent of your amendment is right. It is open to the government to come back to the chamber and say that they reject any of the amendments or that they will amend them in the House of Representatives to cope with what the minister has described as technical problems. That is where we are: we will continue to support the bill and we will support your amendment.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (12.03 p.m.)—That is a very disappointing and very weak response from Senator Murray on this matter. I am disappointed that the Australian Democrats would consider taking the extraordinary step of voting for this legislation. I stress and repeat to you, Senator Murray, that this is unprecedented in the history of the Commonwealth. We have never had a situation before where differences within a political party have been brought to the parliament to enforce an outcome or solution. That has never happened before in the history of the Commonwealth. We have never had a situation before where differences within a political party have been brought to the parliament to enforce an outcome or solution. That has never happened before in the history of the Commonwealth. There is nothing in it for us.

Senator FAULKNER—There is nothing in it for us.

Senator Murray—And you are not alone.

Senator FAULKNER—I think your own party in history will judge you very poorly for supporting the legislation. Through you, Mr Temporary Chairman, I acknowledge to Senator Murray that all of us in this chamber, when dealing with a bill, represent our
party’s collective interests. I know that is the case with opposition shadow spokespersons, government ministers and the relevant spokespersons from the Australian Democrats. I think you have nailed your colours to the mast and said that you represent not just a party view but that you are personally comfortable with this course of action. I think you will regret it. I think you are wrong.

At a minimum, the Australian Democrats and this chamber should consider seeing these matters referred to the Joint Standing Committee on Electoral Matters, which has been studiously ignored in relation to these matters for a number of years. Not once has Liberal Party ever seen fit to raise its very major concerns about these so-called weaknesses in Commonwealth electoral law in any of the submissions it has made to the Joint Standing Committee on Electoral Matters. Not once has it ever put those views to the parliament and to that particular committee.

We are being asked in this chamber not only to involve ourselves in fixing an internal political party dispute of a party of government but also to take sides in that dispute. It is untenable and unprecedented, and clearly the legislation is going to find sufficient support in this chamber to be carried today. This is an important day for the Senate because, I believe, if this bill passes, what we are doing is debauching the Commonwealth Electoral Act. It is extraordinary—I will test it in a moment—that this committee, this Senate, would not at least give support to this proposal being further examined in the committee of this parliament that is charged with examining questions of electoral law, on which there is a government majority.

The Greens will be opposing the legislation. We are pleased with the amendment that will ensure that donations will be returned to corporations that go bust if their insolvency occurs within one year of that and they have made a donation to a political party, but that is a different matter to the intent of this legislation. The Greens point of view is that it should have been fixed up within the Liberal Party and we will be opposing the legislation when the vote comes.

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

The committee divided. [12.15 p.m.]

(The Chairman—Senator J.J. Hogg)

Ayes…………. 35
Noes…………. 27
Majority………. 8

AYES

Allison, L.F.   Bartlett, A.J.J.
Bishop, T.M.   Bolkus, N.
Brown, B.J.   Buckland, G.
Abetz, E. Alston, R.K.R. 
Barnett, G. Boswell, R.L.D. 
Brandis, G.H. Chapman, H.G.P. 
Colbeck, R. Coonan, H.L. 
Eggleston, A. * Ellison, C.M. 
Ferguson, A.B. Ferris, J.M. 
Heffernan, W. Johnston, D. 
Kemp, C.R. Knowles, S.C. 
Macdonald, I. Macdonald, J.A.L. 
Mason, B.J. McGauran, J.J.J. 
Minchin, N.H. Payne, M.A. 
Scullion, N.G. Tchen, T. 
Tierney, J.W. Vanstone, A.E. 
Watson, J.O.W.
have the amendment before me, but I will take Senator Faulkner’s interjections, if I may, so he can explain to me the proposal. As I understand it, it is the bill proper. I believe the amendment is now being circulated.

Senator Faulkner—It is the bill and the amendments as circulated.

Senator ABETZ—I now have Senator Faulkner’s proposed amendment. What it is designed to do is quite clear. It is designed, yet again, to delay the bill that has now been before a Senate committee and been considered and has been on the public record for over 12 months. To refer the Commonwealth Electoral Amendment Bill (No. 1) 2002 again to another committee, simply for the purposes of delay, is a waste of time; it is not necessary. That deals with paragraph (b) of the amendment.

In relation to paragraph (a), ‘any amendments to the Commonwealth Electoral Amendment Bill (No. 1) 2002 circulated in the Senate chamber’, the fact is that some of them have now been incorporated into the bill. Therefore, if we were to send those amendments off, we would in fact be deferring the bill as well because of those amendments. It is a nice tactical try, and I would urge the Australian Democrats to see this for what it is: an attempt by the Labor Party and Senator Faulkner to simply delay the matter.

Senator BROWN (Tasmania) (12.24 p.m.)—The Australian Greens will be supporting this amendment. It is very consistent with our support for the reference to the Joint Standing Committee on Electoral Matters that was moved earlier on in the debate. These are very important amendments that have been made to the Commonwealth Electoral Amendment Bill (No. 1) 2002, and of course the bill itself makes very important amendments to the act—the arguments have been cogently put forward there. We are more than happy to have the Greens’ amendment—which would see the return of donations to corporations from political parties when corporations go bust—with the other amendments, go before the committee for scrutiny. In fact, it should have happened earlier, so we will be supporting this Labor amendment.

Senator HARRIS (Queensland) (12.25 p.m.)—Could I seek some clarification from the Special Minister of State. If paragraph (b) of the amendment were put separately, would the item in paragraph (a) then delay the passage of the bill? For clarification: if (a) and (b) are put separately, could the amendments to the bill be sent to a committee but the bill still be forwarded for assent?

Senator Abetz—that is a matter for the chair to rule on.

Senator Faulkner—Mr Acting Deputy President, on a point of order: I think on this occasion the minister is correct. This is a matter that the chair, with respect, should rule on because we are not in committee stage—the Senate itself is in session. I think it is a matter for you to rule on, Mr Acting Deputy President. I have a strong view on how you should rule, but I will listen to what you say.

The ACTING DEPUTY PRESIDENT (Senator Sandy Macdonald)—My advice is that, if we split the amendment, the bill will be held up. I rule accordingly.

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

The Senate divided. [12.32 p.m.]
(The Acting Deputy President—Senator Sandy Macdonald)

Ayes…………………….. 27
Noes……………….. 36

Majority……… 9

AYES
Bishop, T.M.  Bolkus, N.
Brown, B.J.  Buckland, G.
Campbell, G.  Collins, J.M.A.
Conroy, S.M.  Crossin, P.M. *
Dennan, K.J.  Faulkner, J.P.
Forshaw, M.G.  Hogg, J.J.
Hutchins, S.P.  Kirk, L.
Ludwig, J.W.  Mackay, S.M.
Marshall, G.  McLucas, J.E.
Moore, C.  Murphy, S.M.
Nettle, K.  O’Brien, K.W.K.
Ray, R.F.  Sherry, N.J.
Stephens, U.  Webber, R.
Wong, P.  Bolitho, A.B.

Noes
Bolkus, N.  Buckland, G.
Brown, B.J.  Collins, J.M.A.
Conroy, S.M.  Crossin, P.M. *
Dennan, K.J.  Faulkner, J.P.
Forshaw, M.G.  Hogg, J.J.
Hutchins, S.P.  Kirk, L.
Ludwig, J.W.  Mackay, S.M.
Marshall, G.  McLucas, J.E.
Moore, C.  Murphy, S.M.
Nettle, K.  O’Brien, K.W.K.
Ray, R.F.  Sherry, N.J.
Stephens, U.  Webber, R.
Wong, P.
Third Reading

Senator ABETZ (Tasmania—Special Minister of State) (12.37 p.m.)—I move:

That this bill be now read a third time.

Question put.

The Senate divided. [12.38 p.m.]

(The Acting Deputy President—Senator Sandy Macdonald)

Ayes............ 36
Noes........... 27
Majority....... 9

AYES


NOES


PAIRS

Calvert, P.H. Evans, C.V. Lightfoot, P.R. Patterson, K.C.

* denotes teller

Question negatived.

Original question agreed to.

Report adopted.

HEALTH INSURANCE:
ANTICOMPETITIVE PRACTICES

Debate resumed from 16 September, on motion by Senator Ian Campbell:

That the order of the Senate of 25 March 1999, relating to an order for the production of periodic reports by the Australian Competition and Consumer Commission on private health insurance, be amended as follows:

Omit ‘6 months, commencing with the 6 months ending on 31 December 1999’, substitute ‘12 months ending on or after 30 June 2003’.

Senator LUDWIG (Queensland) (12.42 p.m.)—Senator Brown was asking yesterday for an explanation as to what this change to the production of periodic reports by the Australian Competition and Consumer Commission is about. I think that he asked Senator Abetz to go through it at that time. I know that Senator Abetz was not the minister responsible for the particular piece of
legislation, but it was really just a request for an explanation to assist Senator Brown. As I recall, most of the relevant shadow ministers from our side were given a brief from the relevant minister—I think it went to a couple of pages—which provided an explanation of the proposal.

As I recall, Senator Harradine originally requested this to ensure that the ACCC provided timely and relevant information. At that stage it was a six-monthly provision. Obviously there has now been a request to extend that to 12 months. I think that it would be helpful if Senator Abetz were to put on the record that the relevant shadow ministers, the opposition and the senators in the minor parties have been advised of the outcome and that, in addition, the concerns that were originally expressed by Senator Harradine have been allayed. The ACCC will ensure that the information that they provide at that point is timely and of course accurate. I do not imagine that it is a delaying action by the ACCC, but I think it would be helpful if Senator Abetz could at least assure the Senate of that.

Senator BROWN (Tasmania) (12.44 p.m.)—I wanted Senator Abetz to give a thumbnail explanation to the Senate. People outside parliament deserve to hear the explanation as well as the background briefings we have had in our own rooms. I just wanted that on the record.

Senator ABETZ (Tasmania—Special Minister of State) (12.44 p.m.)—As I understand it, I now have 10 seconds to do that. For the benefit of honourable senators, I will table the letter that explains it all and was circulated to all senators under the signature of Senator the Hon. Ian Campbell, Manager of Government Business in the Senate.

Senator BROWN (Tasmania) (12.45 p.m.)—That does not fulfil the request that I made, which is that Senator Abetz give an explanation to the chamber. Originally it would have taken two minutes, and I still request him to do that.

Debate interrupted.

MATTERS OF PUBLIC INTEREST
The ACTING DEPUTY PRESIDENT (Senator McLucas)—Order! It being 12.45 p.m., I call on matters of public interest.

Indigenous Affairs: Gordon Report
Senator JOHNSTON (Western Australia) (12.45 p.m.)—I rise today to offer my unqualified support to the recently released Gordon report in Western Australia. This report is the result of an inquiry chaired by Sue Gordon and represents a tremendous opportunity for all stakeholders to resolve the destructive problem of family violence and child abuse in Aboriginal communities.

In November 2001, the Western Australian state government announced an inquiry into the response by government agencies to complaints of family violence and child abuse following a coronial inquest into a very tragic set of circumstances that led to the death of a 15-year-old girl at the Swan Valley Nyoongar community in Western Australia. The inquiry was asked to examine how state government agencies respond to incidents of family violence and child abuse that occur in Aboriginal communities. It was also asked to look at any barriers that limit the capacity of agencies to effectively deal with abuse related complaints, with a view to finding practical solutions. The issues addressed in this report are worthy of bipartisan support. The establishment of this inquiry was a very fine piece of public policy, if I may say so.

For decades Aboriginal people have been seeking respite from the problem of violence within their families. It is a very sad historical indictment of all government agencies, including our state and federal governments, that in 2002 Aboriginal women are 45 times more likely to be the victims of domestic violence.

Dick Estens, the current head of the new Telstra inquiry but formerly a pioneer of a very successful Aboriginal employment program in Moree, said in the Bulletin recently that Aboriginal people are going ‘to too many funerals and not enough weddings’. In other words, failed relationships due to family violence are having a negative effect on every other aspect of the lives of Aboriginal
people—employment, housing, criminal activity, child welfare and substance abuse, just to name a few—as it would with any family from any community in any other country in the world.

The Gordon report is not just another report from another inquiry—the last of many in a long line of inquiries and royal commissions that we have seen in Western Australia over the past century. It is probably one of the most significant signposts in an area that has vexed and perplexed government for more than 50 years. The chair of the inquiry, Sue Gordon, is currently a magistrate with the Children’s Court of Western Australia and, in fact, became the state’s first Aboriginal magistrate in 1988. Mrs Gordon is a frequent guest speaker on juvenile justice issues and Aboriginal and Torres Strait Islander social and economic conditions. She was born at Belele Station near Meekatharra in Western Australia. Mrs Gordon was removed from her mother at the age of four and was raised and educated at Sister Kate’s orphanage in Perth.

The second member of the inquiry is a registered psychologist, Darrell Henry, who is currently the Manager of the Yorgum Aboriginal Counselling Service. This role includes management and supervision of the Child Abuse Treatment Service and project work for family violence. The third panel member, the Hon. Kay Hallahan, is currently the chair of the national board of Save the Children Australia—the largest children’s rights organisation in the world—and an inaugural board member of the Positive Ageing Foundation in Western Australia. Of course, Kay is also a former state government minister with experience in the portfolios of community services and education. Again, she is an outstanding community contributor of great ability and dedication. Taking up the fourth position on the inquiry is Richard Hooker—a very able barrister based at Wickham Chambers as well as a part-time tutor in constitutional law at the University of Western Australia.

The Gordon report listed a total of 197 findings and recommendations, and naturally I do not have time to comment on every one of those in this chamber today. There are several recommendations that I do believe deserve mention, although in mentioning these I want to stress that they do not necessarily take on a greater importance than any of the other recommendations in the report. I hope that all 197 receive careful consideration by the state government and that the response to the Gordon report is both timely and very much in the positive.

The inquiry has commended the establishment and the statewide publication of the Aboriginal Psychiatric Service at Graylands Hospital. Key Aboriginal community members should be identified for training in sexual assault education and support services so they can become a resource in their own communities. This is long overdue and will encourage Aboriginal communities to help themselves while in some ways overcoming a lot of the distrust that communities have of government agencies—a key problem recognised by this very important inquiry.

There is a vastly inadequate provision of ongoing intervention services for children and families, and there has to be greater coordination between government departments. On a practical level, it is widely recognised that many Aboriginal people have problems in obtaining private rental properties or even moving into private home ownership. For Aboriginal people to become less dependent on welfare and increase self-determination and choice, they must have access to mainstream private rentals and home ownership in the same proportion as the rest of the population, which is a recommendation of this inquiry. This is a very important and pragmatic point about helping Aboriginal communities to help themselves.

The Gordon report recommends the ongoing support of the Aboriginal Home Ownership Program as well as examining options for incentives for private landlords to rent homes to people on low incomes. Another point was to build on the current pilot project between the Department of Housing and the Real Estate Institute of Western Australia that help Aboriginal people, as well as young people in general, into private rentals through a system of head-leasing private rental stock, underwriting potential damage and providing support.
The inquiry also found that a key barrier to reporting family violence and child abuse in Aboriginal communities was the total distrust of the police—a point that has been acknowledged by the Western Australian Police Service, to its great credit. Amongst a raft of recommendations to address this problem of trust is the creation of additional Aboriginal police liaison officers. They play a vital role in bridging the gap between the Police Service and Aboriginal communities. I hope the state government takes on board the advice to create additional positions for 40 officers over the next four years and that women are particularly encouraged to apply for these positions.

The inquiry also supports the use of work camps as an example of an alternative to the traditional incarceration of Aboriginal adult offenders. More appropriate options for sentenced juveniles from remote locations should be considered as a matter of urgency.

The report makes outstanding recommendations with respect to issues such as Aboriginal truancy rates from school, substance abuse, issues of agency access to communities, gambling, teenage pregnancy, suicide, and other health and welfare activities. On a final note, it was disappointing to read in the West Australian recently that a justice department program aimed at quelling feuds and family violence in Aboriginal communities has only two staff for the entire state and a budget of just $400,000 per annum. The article quotes leading crime researcher Dr Harry Blagg as saying such programs are badly resourced and underfunded in Western Australia.

Set up in 1991, the Aboriginal Alternative Dispute Resolution Service is used by government agencies to mediate in disputes over such issues as housing evictions, violence and sexual abuse. This is just the kind of solution the Gordon report is recommending: it prevents matters from going to court by resolving them at a community level. There are no plans to extend this much needed, practical service and, quite frankly, I think the state government should reconsider its position on this. According to Dr Blagg, a similar program in the Northern Territory has cut family violence by as much as 80 per cent. I wish to take this opportunity to congratulate the members who contributed to the Gordon report, in particular, Sue Gordon. It was a mammoth task that was achieved in a relatively short period of time and has the potential to make a significant difference in the lives of hundreds of Aboriginal families in Western Australia. As Mrs Gordon states in her foreword:

The real journey for Aboriginal people is to now face the social issues of family violence and child abuse, which are tearing families and communities apart and putting children at risk. This is not only by non-Aboriginal predators, but by their very own families. Without both Aboriginal women and men standing up and saying no more family violence and no more child abuse, the future for Aboriginal children will only lie in higher statistics of Aboriginal youth suicide or higher Aboriginal imprisonment rates.

I thoroughly recommend to my fellow senators that they read at least the executive summary of the Gordon report. I urge the state government in Western Australia to take on board every one of the 197 recommendations when they consider their response. Please do not let this be another inquiry left to sit on the shelf, and do not let Sue Gordon’s wise words end up on deaf ears.

**Foreign Affairs: Israel**

**Senator FORSHAW** (New South Wales)

(12.54 p.m.)—I am sure that one of the first things that all members of parliament and many others who are in involved in or who follow political debate in this country do on a Saturday morning is get a copy of Alan Ramsey’s article and read it. Generally speaking, you usually do that for the purpose of finding out whom he has dumped on that day. Alan Ramsey is a well-respected and longstanding journalist covering political affairs. Last Saturday, he wrote an article with the headline ‘Never let facts spoil an opportunity’. It dealt with the current debate over possible military action in Iraq. He raised issues regarding the Middle East conflict and, in particular, drew upon the writings of Robert Fisk, who is a well-known journalist who has been writing for many years on Middle East issues.
In the article, Alan Ramsey referred to Robert Fisk in very laudatory and eloquent terms. I do not quibble with the fact that Robert Fisk is a renowned international journalist on Middle East affairs, but, as one who has followed this issue for quite a number of years and who has read articles by Robert Fisk, I have to say that I have found him a consistently fierce critic of Israel and that very rarely does he show the sort of impartiality that one would expect from a journalist reporting on these issues. I want to come back to some of the issues raised in Alan Ramsey’s article, but of some concern to me were these words that he wrote:

Perhaps now you understand why much of official Israel detests Fisk. Nobody could fail to be moved by the power and grim elegance of what he writes. Nor could you not admire the unblinkered perspective he brings to what is happening in the Middle East. His essays are a far cry from the careful pap we get from so many political leaders.

But even the pap is mild fare alongside the malevolent moans to be heard from the obsessed in this country’s Jewish lobby when they put their mind to it. They will have no truck with criticism of Israel and its policies. And they will write letters, send emails and insinuate any voice of influence they can reach to make their displeasure known.

I am not anti-American and I am not anti-Semitic. I am anti-...

BS—to use an expression rather than a word that would be regarded as unparliamentary. Unfortunately, there was at least one of glaring omission in the article, a very important fact surrounding the issue of the Israeli-Palestinian conflict. In his article, Alan Ramsey argues—as Robert Fisk and a number of others have argued—that, if you are going to criticise Iraq for not complying with UN resolutions, you should also criticise other countries who may not have complied with UN resolutions either. That sounds a logical proposition.

The problem, of course, is that in Alan Ramsey’s article—and, indeed, wherever you hear that argument being raised currently in regard to the issue of Iraq’s noncompliance with UN resolutions—it is always followed by a reference to Israel. The argument is put that, if the US is going to criticise Iraq for noncompliance with UN resolutions, it should also criticise Israel for not complying with UN resolutions. You very rarely hear any reference to the myriad nations around the world that may not have complied with UN resolutions—but Israel is always raised. I find the argument disingenuous, to say the least. Not only is Israel always being singled out in this context—with totally inappropriate comparisons thereby being made or inferred between its situation and Iraq’s record—but furthermore, when these arguments are made, as they were in Robert Fisk’s article and in Alan Ramsey’s article, not all of the facts are put.

One thing about the title of this article, ‘Never let facts spoil an opportunity’, is that that is exactly what has happened in this case. It is important, therefore, to look at the specific resolutions that are referred to when this argument is put. It is alleged that Israel has not complied with resolution 242 of 1967 or resolution 338 of 1973. Those numbers are ingrained in the memory of anybody who reads, studies or follows the Middle East conflict. They are regularly repeated and referred to and, as I said, the argument is always put that Israel has not complied with those resolutions. Therefore, it is now suggested that Israel may be as guilty as Iraq. Let us have a look at resolution 242. This, of course, is generally described as the resolution that requires Israel to withdraw its forces from territories occupied following the 1967 war. That war was fought by Israel—like the wars in 1948 and 1973—to defend its very existence. It was a war that was fought against its surrounding neighbours, who had one objective. Many of them still have that objective—that is, the destruction of the state of Israel. What does resolution 242 of 1967 state? It states:

The Security Council,
Expressing its continuing concern with the grave situation in the Middle East,
Emphasizing the inadmissibility of the acquisition of territory by war and the need to work for a just and lasting peace in which every State in the area can live in security,
Emphasizing further that all Member States in their acceptance of the Charter of the United Na-
tions have undertaken a commitment to act in accordance with Article 2 of the Charter,

1. **Affirms** that the fulfilment of Charter principles requires the establishment of a just and lasting peace in the Middle East which should include the application of both the following principles—

and I stress the words ‘both the following principles’—

(i) Withdrawal of Israel armed forces from territories occupied in the recent conflict;

(ii) Termination of all claims or states of belligerency and respect for and acknowledgement of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force...

There are two parts to resolution 242. The first one requires Israel to withdraw its forces from the occupied territories and the second requires all participants in the conflict to respect the claims of territorial integrity. In the article by Alan Ramsey, I did not read—and I cannot recall ever reading this when 242 is referred to—a reference made to that second aspect. The emphasis is always put upon the requirement on Israel to withdraw its forces. Of course, the situation is that no country has ever really complied with resolution 242. There are countries and terrorist forces that exist today, as we know, that have no intention of ever complying with the second aspect of resolution 242—that is, they will not recognise the territorial integrity of the state of Israel.

Similarly, resolution 338 of 1973 followed the 1973 war—a war which started with the surprise attack by the Arab nations on Israel at the start of the Yom Kippur celebrations. Resolution 338 of 1973 required the parties to terminate all their military activity and then to implement the terms of resolution 242. My point is that when people are going to run the argument that Israel is expected to comply with resolutions of the UN then it must also be said that all the other nations and forces involved should also comply with those resolutions and all of their terms. Whilst it has made mistakes—I concede that—and it is not blameless, the fact of the matter is that Israel is a state that has been constantly under either siege or the threat of elimination by its neighbours. The argument really is disingenuous.

The UN resolution that has never really been complied with by most countries involved in this issue is that of 1947. That is the original resolution 181, which proposed the establishment of the two states in the former Palestinian mandate—a Jewish state and an Arab Palestinian state. Israel accepted that resolution; the other countries did not. They rejected it and many of them today still act as though they do not accept it. Indeed, they do more than act; they express the view that they do not accept that resolution. If people are going to try to draw these analogies with Iraq—and that in itself is a total abomination—then they should at least start looking at the facts and at the terms of these UN resolutions.

One other resolution that I would refer to is resolution 425 of 1978. That was a resolution that required Israel to withdraw its forces from Lebanon. It did eventually, a couple of years ago, withdraw all of its forces from Lebanon. That was not seen in some quarters as compliance with a resolution; it was seen as a victory for the terrorist forces. Immediately following the withdrawal of those forces, which were there primarily to prevent terrorist attacks upon Israeli villages, Hezbollah commenced its attacks again, and it has continued sporadically to this day, because it does not accept the right of Israel to exist either. Even when Israel complies with UN resolutions, as it did on that occasion, what does it get in return? It gets further attacks on its people and its villages.

I find it rather ironic also that today Syria maintains large armed forces in Lebanon and effectively runs the country and government of Lebanon. But I do not hear any cries from people who want to adopt the moral equivalence argument, if you like, calling for those forces to be removed and for the territorial integrity of Lebanon to be respected. In conclusion, one aspect of the article was right, and that was the headline: ‘Never let facts spoil an opportunity’. If people are going to get morally indignant about these issues then they could at least tell all the facts, not just those that support their own argument.
Insurance: Professional Indemnity

Senator RIDGEWAY (New South Wales) (1.08 p.m.)—I rise today on the issue of professional indemnity as it applies to midwifery. I want to take this opportunity to bring to the Senate’s attention the problems faced by one segment of the community whose needs have been largely overlooked in the federal government’s so-called answer to the ‘crisis’ in professional indemnity insurance. I would like also to highlight the shortfalls in the government’s solution to reducing insurance premiums and the need to address the problems faced by the community at large, not just medical practitioners. While doctors’ needs have largely been catered for, not only in the financial assistance afforded to United Medical Protection but also as a result of the recommendations of the first report on the law of negligence, independent midwives throughout Australia continue to be unable to obtain professional indemnity insurance cover, let alone obtain cover that is affordable.

In Australia there are almost 12,000 midwives who attend almost all births that occur in Australian hospitals and birth centres. There are approximately 250,000 births in Australia each year. As a result of not being able to obtain or renew professional indemnity insurance, not only have independent midwives stopped practising altogether but also university midwifery students are affected and may be prevented from completing their degrees. A compulsory component of midwifery is the completion of a clinical placement, and these placements are in doubt as a result of people not being able to obtain adequate insurance cover. This year, the Australian College of Midwives, the national organisation of midwives, has had to cease sending postgraduate students to hospitals after being unable to secure cover. While the Victorian and South Australian governments have come to the aid of students in their respective states by providing assistance in obtaining insurance cover, this still leaves a large proportion of students in danger of being unable to commence clinical placements and therefore finish their degrees.

At present the Australian College of Midwives believes that the number of students choosing to undertake midwifery is falling and accounts for only approximately a third of the need for midwives. There are approximately 937 students enrolled in midwifery courses throughout Australian universities. In addition to the problems facing the profession as a whole in attracting and maintaining a viable work force, the Australian College of Midwives approached the government for financial assistance on the matter of professional indemnity insurance, and their request for around $1 million has so far been ignored. In light of the support that has been provided to our doctors it is disappointing that the government has been unwilling to support our midwives and, in turn, our women, our babies and our future.

The work of midwives provides women and families with greater choice in the way their children are brought into the world. Midwives are present at around 98 per cent of births that occur in Australia and they provide constant care and commitment to women before, during and after childbirth, while doctors and others attend the birth when necessary. The World Health Organisation has highlighted that midwives are the most appropriate and cost-effective type of health care provider to be assigned to the care of women in normal pregnancy and birth, including risk assessment and the recognition of complications. Also, midwives provide continuous care to each woman from the early stages of pregnancy until four to six weeks after the birth of a child—the kind of care that is not readily available from a doctor.

If the community and the government began to promote the work of midwives then, like other Western countries such as the United Kingdom, Canada and New Zealand, it could lead to a more responsive approach to health care and create improved outcomes in health inequalities. For example, one-on-one health care for socioeconomically disadvantaged women and culturally appropriate care for Indigenous women have the potential to significantly improve maternal and infant outcomes, as they have done in other countries. For example, in New Zealand, where publicly funded midwifery care has been provided for Maori women over the last
10 years, mortality rates are now lower than for the rest of the population. Canada also has had success: its Inuit communities have been able to receive personalised maternity care from midwives and, though training, Inuit midwives. Currently in Australia, Indigenous babies are 24 times more likely to die at birth than are babies born to non-Indigenous mothers. This is a statistic that no nation can be proud of and a problem that needs to be addressed.

As we are all well aware, both federal and state governments have focused on tort law reform as the answer to the public outcry against insurance premiums. Notwithstanding that these measures are misleading and ill directed, the recommendations put forward in the first report on the review of the law of negligence do not begin to address the insurance problems faced by other equally valuable professions in the community as well as the insurance difficulties faced by small organisations and community groups that have either been unable to secure insurance cover at all or had difficulty in paying exorbitant premium increases.

Any solution to the current insurance crisis has to come from all angles, while taking into consideration the nature of the insurance industry itself and the various other factors that are taken into account when insurance companies make pricing decisions. Rather than try to tackle this issue with tunnel vision aimed directly at tort law reform, as most state governments have done, the federal government will need to look at this matter with 20/20 vision and do some lateral thinking if it is to assist the thousands of people facing difficulties who will quite simply be left behind otherwise.

A solution to the present and very public concern about the affordability and availability of public liability and professional indemnity insurance requires a holistic approach as well as a national approach—and it is the latter point which I want to acknowledge that the government has recognised. While state and federal governments have tended to focus on tort law reform, this approach perhaps creates more problems and questions than it answers. For example, I think we need to start asking questions about what answers tort law reform provides for those who are seriously injured as a result of another’s negligence. How does tort law reform ensure that the sick and injured will be cared for in the long term and appropriately compensated? How does tort law reform encourage individuals, businesses and service providers to take greater care in preventing accidents? How does tort law reform help prevent corporate collapse and fraud of insurance providers? I think that the changes to prudential standards required by APRA, which commenced in July this year, have provided some constructive measures while some others were merely window-dressing in relation to capital requirements. It seems to me that further reforms to APRA’s capacity to monitor are necessary in order to create greater certainty for policyholders and the community.

Finally, we have to ask: how does tort law reform secure an insurance policy for independent midwives across the country when there is no insurance company which will provide indemnity for them, regardless of their good claims record and the essential role that midwives play in helping to bring our children into the world safely? The current reforms have failed to reflect upon the actual problems that were required to be resolved. Instead, state and federal governments have used this opportunity to introduce sweeping law reforms, which severely limit individual rights, without ascertaining whether this will have any effect on the price and availability of insurance cover. As one study conducted in the United States has shown, tort law reform had little or no effect on insurance premiums and any price reductions which did occur could just as easily be attributed to cyclical factors.

Contrary to the federal government’s call for a national approach, state governments across the nation have created a patchwork quilt of tort law reform. In my view, the government should, as a priority, turn its attention to solutions that provide long-term care for the sick and injured and reduce the number of accidents that occur in the course of people’s professions and in public places. A matter that I believe has yet to be highlighted is the need to encourage the control and
management of risk, which makes good sense not only from an insurance point of view but also from a community welfare point of view. As well as this, it seems to me that there needs to be tighter and more effective prudential controls over the insurance industry by APRA. That is another matter that needs to be addressed by this government if it is serious about providing long-term insurance solutions.

Most importantly, the services offered by midwives do result in significant health benefits and choice to women and have the potential to achieve improved mortality rates in this country. Secondly, midwives offer significantly lower-cost prenatal and postnatal care. In cases where research has been undertaken, midwifery has, time and time again, produced better outcomes. In the case of UMP, the government has offered millions of dollars in support of an insurance company that operated with opportunistic business practices that led to its inability to be an ongoing concern. Yet the government recognised that this was necessary to ensure that doctors were able to continue to practise. At the same time, a relatively small amount of money was being sought by independent midwives, and that money has not been forthcoming. This affects not only working midwives but also future midwives, who are and will be discouraged from entering the field by being unable to undertake clinical placements. Recently the government had no difficulty in providing a $150 million package to assist sugar cane growers in marginal electorates and yet this serious issue of health care, of the health of our women and the safe birthing of our babies, is being overlooked.

The Australian Democrats wholeheartedly support a society where individuals take responsibility for their own actions. However, appropriate safeguards must be put in place to protect people from such things as fraud and recklessness. The birth of our children is far too important an issue for us to ignore. There is a real opportunity to offer an olive branch to the midwives, and I believe that this government must make that offer. The Australian Democrats want midwives involved both in the insurance industry debate and in the solution. I remind senators that there is more to medicine than doctors and more to liability and indemnity insurance than tort law reform.

**Foreign Affairs: India**

Senator EGGLESTON (Western Australia) (1.20 p.m.)—Today I would like to speak a little about India—a country often neglected by Australia but a country offering great opportunities to Australia in terms of trade and investment. It is also a country where there are great tourist opportunities for Australia and great opportunities to offer services such as education. India is, of course, the world’s most populous democracy, with more than one billion people. It is potentially a massive market and its economic reforms have generated wealth which has flowed to the population in the form of higher per capita incomes, expanding the middle class, reducing poverty and driving demand for consumer goods. Between 1994-95 and 2001-02, the number of households with a high income—that is, an income above $US3,058 per month—increased from 4.6 million to 12.1 million. This means that 60 million to 70 million Indians live in high-income households, and that fact provides great opportunities in terms of Australian contact at many levels with the Indian population.

As I said, the Indians have reformed their economy and it was very necessary for them to make their economy more open. Between 1951 and 1993, India’s relatively closed economy resulted in a situation where India’s share of world trade plunged from 2.4 per cent to 0.5 per cent. Between 1967 and 1968 and 1989 and 1990, Australia’s exports to India fell from 2.15 per cent of our total exports to just 1.25 per cent. In other words, they almost halved.

Throughout the 1990s, the Indian economy was gradually opened up to international forces. Trade and foreign investment laws were progressively liberalised, resulting in lower tariffs and the lowering of other tariff and non-tariff barriers, and the Indian currency was floated. The outcome of this has been that India is now one of the world’s fastest growing economies. In the mid-1990s, India achieved annual real gross do-
I want to go through the opportunities that India offers to Australia and to deal first with trade and investment. I have no doubt that the opening of India's economy has led to a resurgence of opportunities for Australia. Over the past decade, our merchandise exports to India have increased by 12 per cent per annum. This is a rate of expansion some 60 per cent greater than overall exports. The result is that India is now our 13th largest export destination. In 2001, Australian merchandise exports to India were at record levels—at more than $2.5 billion. This is a significant achievement when you consider that, in 1990-91, Australia's merchandise exports to India were only around $660 million per annum.

Primary products were the major source of our exports to India. Coal is the predominant export. The value of Australia's coal exports to India has increased from just over $2.7 million per annum in 1991 to $964 million in 2001, making India the third largest market for our coal. In 1995, Australia exported no copper ore to India. However, last year we sold over $284 million worth of copper ore to India. India is the fourth largest market for our wool, with an export value of $176 million in 2001 for our wool exports.

Other major exports to India are fresh fruit and vegetables, with a value of $166 million in 2001, and non-monetary gold also with a value of $166 million in 2001. Interestingly enough, the export of Australian cotton has burgeoned from $14 million some years ago to $158 million in 2001. In 2000 alone, Australian cotton exports to India increased 200 per cent.

Beyond primary products, Australia also exports technical manufactured goods to India. For example, in 1999-2000, Australia exported information communications and technology products worth around $US140 million to India. Australia's trade in services with India has also witnessed rapid growth, particularly in the areas of tourism and education. In respect of tourism, according to a Department of Foreign Affairs and Trade report entitled, India: new economy, old economy:

Since 1991, tourist arrivals from India surged by 20 per cent per year and reached over 30,000 in 2000 ... If Indian per capita incomes continue to grow at previous levels, Australian tourism export opportunities should continue to expand strongly. Quite obviously with such a large stream in the Indian population with a high per capita income, India really does offer great potential as a source of tourists for this country and one much closer to home than seeking tourists from North America or Europe.

Education is a very important service which Australian institutions can offer to India. In the past, most Indian students went either to North America or to Europe for secondary and tertiary education. In 1987, only 14 Indian students came to Australia. Since then, Australia has become an increasingly popular destination for Indian students and it is now ranked in the top three destinations. There are now over 10,000 Indian students attending Australian educational institutions. It is quite remarkable that that figure has grown so much so quickly and the potential for further growth is enormous. I believe that we have 18,000 students from Indonesia in this country and, if one applies the population numbers, there is the potential for a huge increase in Indian students coming to Australia. Just like Indonesia, India is very close to Australia and the parents of these students prefer their children to be fairly close at hand rather than on the far side of the world, as is the case with Europe and North America.

Australian direct investment in India has grown tenfold over the past decade, from about $100 million per annum in the early 1990s, to around $1 billion per annum today. At the end of last year, 100 Australian companies had directly invested in India in industries as diverse as information technology, telecommunications, media, insurance, minerals and petroleum, transport and brewing. However, it has to be said that India is viewed as being a challenging business environment. It is, for example, characterised by a generally poor infrastructure. This presents both a challenge and an opportunity for
Australian business because the Indians do need a massive investment in infrastructure and Australian companies have the opportunity to exercise some leverage in this area and gain contracts. The Snowy Mountains Engineering Corporation, for example, has provided contract management and supervision expertise to road projects in India. P&O Ports has built, operated and maintained a container terminal in Mumbai, which used to be known, of course, as Bombay. The facility cost some $US200 million to construct. It utilises state-of-the-art equipment and has been very successful. P&O has been encouraged to engage in further port and terminal developments in India.

The Foreign Affairs and Trade report India: new economy, old economy, which I have referred to already, found that India has been developing a dual economy. Since the mid-1990s, the ‘new economy’ service sectors, such as information technology, telecommunications and finance, have experienced high levels of growth whereas, conversely, the performance of the ‘old economy’ sectors, such as agriculture, infrastructure and, to a lesser degree, manufacturing, have not been as strong and even may have deteriorated somewhat over that time. This indicates that there are opportunities for Australian companies in the higher growth ‘new economy’ sectors. India has become a challenger to Silicon Valley in terms of IT and there is a great opportunity for Australian companies to become involved with Indian IT companies.

In addition, finance, telecommunications, health, education, environmental services, biotechnology, and media and entertainment increasingly offer great opportunities for direct investment. The media and entertainment area is an interesting one which should present increasing opportunities for Australian firms. While Australia’s popularity as a location for the shooting of Hollywood films in recent years is widely known, what is not so well known is that, since 1998, a large number of Bollywood Indian films have been made in Australia. Something like 40 Bollywood films have been made on location in Australia in that time. According to the Department of Foreign Affairs and Trade, Australia is fast becoming a preferred destination for Indian film, TV commercial and music video makers, offering attractive locations as well as highly-skilled and experienced crews, quality production, post-production, animation and special effects, and we have an extremely competitive cost structure. Australia is certainly a country to which the Indians are looking in terms of the development of their own film industry. The fact that they are coming here for such a large number of films to be shot and finished in this country provides employment to those involved in our domestic film industry.

The health sector is another area which offers great opportunities for Australian investors. Australian companies have had success in selling management systems, pathology services, medical and rescue systems, and clinical waste systems to the Indian government and the Indian hospital system, which is a very big system indeed. A very big sector in India is devoted to health.

In conclusion, although Australian trade and investment in India has increased dramatically over the past decade—and it has done so off a low base—there exists a myriad of untapped potential. India accounts for only 1.7 per cent of Australia’s merchandise exports and less than one per cent of Australian foreign direct investment in overseas countries. The potential is there and I believe that, in due course, India will become one of our major trading partners, but certainly an area to which we will be selling a great deal of service industries, in the form of education and health services in particular.

Ferguson, Laurie John (Jack) AO

Senator STEPHENS (New South Wales) (1.35 p.m.)—Today I wish to offer my condolences and those of all opposition senators to the family of the Hon. Laurie John (Jack) Ferguson AO, former New South Wales Deputy Premier. Jack passed away in Sydney yesterday at the age of 78 after a long illness. He was one of the most significant figures in postwar New South Wales politics. Jack will have a proud, prominent and enduring place in its history and in the history of the New South Wales Labor Party.
Jack was born in Zetland in Sydney and brought up in the western suburbs. He was educated by the Marist Brothers and, like so many others of his generation, he left school at the age of 13, during the Depression, and served in the Army during World War II. He learned bricklaying under a postwar training scheme and built the house in Guildford in which he lived all his married life. Although never formally educated beyond the age of 13, Jack was an impressive example of self-education and lifelong learning. He read widely and perceptively. He was elected to the state parliament in 1959 and became Labor deputy leader to Neville Wran after the 1973 state election. Jack was a member of the New South Wales parliament from 1959 to 1984, faithfully representing the people of south-west Sydney as the member for Merrylands and Fairfield. As Deputy Premier and Minister for Public Works for eight years during the Wran era, Jack made a substantial contribution to New South Wales politics. Former New South Wales Premier Neville Wran said:

If my premiership was worth anything, it was largely due to the great political instincts of Jack Ferguson.

They made a formidable team. In cabinet, Jack was a shrewd and talented minister. His mark was certainly on the progressive measures of the early Wran cabinets—for example, the reform of the New South Wales Legislative Council, the Anti-Discrimination Act and the Environmental Planning and Assessment Act. He was also an unlikely environmentalist who saw early that we could not go on destroying our forests, our air and our beaches.

As the Minister for Public Works, Jack overhauled the department and saved it from being dismantled due to chronic inefficiencies. He also convinced the building workers industrial union to become more efficient by overhauling work practices of public sector members. Jack went on to oversee and initiate a wide range of projects, including coastal walks—such as the walk from Bondi to Bronte which is the most famous—and the upgrading of public barbecue and picnic facilities up and down the coast. These were simple measures but important ones for ordinary people.

During his career, Jack also served as the Minister for Housing. In his maiden speech in 1959, he spoke of ‘suburbs without sewerage, decent roads and footpaths’. He argued for better planning and cheaper housing. As Minister for Housing, he liked nothing better than to open new hospitals, schools, public housing and roads in outer suburbs that needed them. He strongly believed that the workers should always come first and that a Labor government was judged on how it looked after the poor. He told many new MPs that a Labor member never forgot who put him there and why. He called the parliamentary salary, ‘a fortune, not a bloody wage’.

Last night, former New South Wales education minister and parliamentary colleague Rodney Cavalier said:

Jack was one of the Left’s leaders and conscience, one of the few who could transcend the factional divide and provide an ethical base for party decision-making.

Jack Ferguson was no ordinary parliamentarian. He was the leader of the Labor Left at a crucial time. He brought a sceptical Left behind Neville Wran, who won the leadership on a split vote. Without Jack’s support, Neville Wran would never have become the ALP leader in 1973. There would have been no Whanerals, no 12 years of Labor government in the seventies and eighties and New South Wales would be a very different place today.

We all have fond memories of Jack, who spoke his mind and influenced a generation of unionists, Labor activists and politicians. His legacy is that of a great service to ordinary Australians as well as a political dynasty. He is survived by his wife of 51 years, Mary Ellen, and his five children—our parliamentary colleagues Laurie and Martin; Deborah, Andrew and Jennifer—his brother, Reginald Ferguson and sister, Pauline Ferguson RSJ. They have our prayers and sincere condolences. Jack’s funeral will be held at St Patrick’s Catholic Church, Guildford.
Ferguson, Mr Laurie John (Jack) AO
Human Rights: China and Tibet

Senator BROWN (Tasmania) (1.41 p.m.)—I also pay tribute to Jack Ferguson and the contribution he made to progressive politics and environmental politics. If I am not wrong, his was one of the crucial votes that changed Labor’s position to one of ‘no dams’ in the run to the saving of the Franklin back in 1982.

I want to talk about Tibet. Li Peng, the third leader of the Chinese Communist Party in Beijing, is here in Australia at the invitation of the Speaker of the House and the President of this place and to speak with businesspeople in Australia—so be it. But there is another side to this visit—namely, the extraordinary lengths Australia seems to be going to in order to meet Chinese requirements these days that any leader who visits any other country not only shall not run into protests but shall be shielded from any exposure to a different point of view. That is not consistent with the Australian way of life. I reiterate that Li Peng was personally responsible for the directive to send the tanks in to Tiananmen Square in 1989, which led to the deaths of hundreds, if not thousands, of activists for democracy who had been holding the line, totally peacefully, for democracy in China, and for the consequent torture and imprisonment of thousands more throughout China. He also has his hand on the crackdown or the ‘strike hard’ policy in Tibet which to this day leaves hundreds of Tibetan freedom fighters going to jail. Those freedom fighters all peacefully put their position in Tibet but have gone to jail sometimes for many years just for such a simple protest as holding up a ‘Free Tibet’ or a ‘Support the Dalai Lama’ sign in their home country of Tibet.

It is almost unthinkable to ask in this free and wonderful country of ours what it would be like to be occupied by a foreign military force at the behest of a dictatorial government like that in Beijing and to be deprived of political liberties, religious liberties, social liberties and knocked to the bottom end of the scale. In Tibet it is the Tibetan children who last get to school; it is the Tibetan children who last get medical assistance; it is the Tibetan people who are last in line for developing businesses in their own country and it is certainly the Tibetan people who get the smallest slice of the development of oil, gas, uranium and the knocking down of forests and the development of hydro-electricity in that country.

The situation at large in China—where there are 1.2 billion people—for those who espouse democracy or freedom of religion can be pointed to by the plight of the Falun Gong. This is a peaceful religious sect. I was in Beijing when they were first put under attack by the authorities, and I watched the 1½ hour exposition against them on state television. The extraordinary thing is that there was no alternative viewpoint put forward, nor has there been to this day.

Tens of thousands of these peaceful practitioners—men, women and children—have been jailed, and over 400 have died in those jails at the behest of the leadership, not least that of Li Peng. Yet we have a sensitivity in this country which says that not only must Li Peng be shielded from protesters here but his dignity must be kept intact. Think of the dignity of those people imprisoned in their thousands in China today because they espouse democracy. Think of the dignity of the monks and nuns, some of whom have no dignity left because they have been murdered in Drapchi prison in Lhasa. Think of those people who are forced to stand still for hours on end in the sun with a cup on their head—if they spill it, they get beaten. Think of those people who in winter are forced to stand for great lengths of time in their bare feet on floors that have been hosed down. These things happen simply because these wonderful, warm-hearted Tibetans who love their country and the Dalai Lama have dared to say so. They only have to say so, and that is the sort of treatment Li Peng has personally ensured that they meet.

But, when he comes to this country, there is an extraordinary over-obsequiousness to this dictatorial government to make sure that his dignity shall not at any time be affronted. I ran into that last night outside the Canberra Theatre, where I had been asked to a protest by the Australia Tibet Council. When I arrived there after leaving the Senate, there
were some 20 or 30 men and women, half or more of whom were Tibetans. They had their flags of Tibet—that beautiful gold, red, white and black flag with the snow lines and a beautiful portrayal of the sun on it—and they had a ‘Free Tibet’ sign. Instead of being outside the theatre, they had been placed on other side of the plaza and were not allowed to come within cooee of the theatre. The police authorities—this means the political authorities, ultimately, because they control how strong the engagement is with the Chinese security officers—had made sure that where they were standing was both out of sight and out of earshot of the entrance into which Li Peng was going. In other words, this Chinese demand that peaceful protesters like these be not seen or heard by the target of their protest, Li Peng, was being met by the good people of the Australian security organisations. I do not blame them; the problem is further up the line. It is a political decision being made at the highest levels in this country, right through to Mr Howard’s office.

With Ben Oquist of my office, I was able to leave the protesters and go and see what was happening. When Li Peng arrived through the side door—standing in the plaza, I was more than 50 metres away—we called out, ‘Free Tibet!’ and repeated that call. Li Peng heard us. The small group of Tibetans and their Australian supporters were calling out at the same time from their invisible position around the corner. Li Peng looked distressed and was hurried in the door with his security agents and entourage.

After that, I was grabbed by a couple of police officers and pushed backwards towards where the protest was. So was Ben Oquist from my office. A police inspector, or a person of similar rank, came up and told me to calm down—although I was not the least bit excited by this position—and threatened me with arrest for standing in a plaza more than 50 metres from where this butcher of Tiananmen Square had just entered the building. The apparent crime was to call out, ‘Free Tibet!’ to ears that did not want to hear these words, because Li Peng stands for an enslaved Tibet. Li Peng stands for a non-democratic China. Li Peng stands for jailing and torturing people who have a religious conviction, a belief other than communism. I informed the officer that he may arrest me but that I was standing my ground, and after a little while he desisted and went away. I was aware of a very tall Chinese security officer on site and I am told that the tactical response group was just around the corner.

It is important that we protect the life, limb and safety of visiting politicians, no matter where they come from and what their political convictions are and perhaps even no matter how many people they have murdered in their own countries. That is a matter for others to debate. But I object to Chinese repression of peaceful protests being imported to this country and aided and abetted by authorities in this country. I think we have to tell people like Li Peng that this is a free democracy, a democracy built on the right of citizens to peacefully protest, and that this country does not condone the repressive measures of him and his henchmen, with their tanks which squashed students—boys and girls—who stood up for democracy. It made my heart very heavy indeed to listen to the mother of a 17-year-old student who disappeared in Tiananmen Square under those tanks 12 years ago as she bravely spoke to ABC television the other night from her flat in Beijing and said, ‘Li Peng should not be allowed into your country.’ Her bravery is far beyond that of the leaders of the political parties who have anything to do with this sort of repression of political rights in this country.

I think the government and the security people need to think again about this, because there are going to be more visits by heads of state from China. Last time, when the President of China was in Australia, buses were brought in, as had occurred in London, to totally shield the President from seeing protesters in Melbourne and elsewhere. What an extraordinary thing it is that you want to shield people like Li Peng, given the murderous history of this man—witnessed by the whole world, I might add; there has been no secret about it—from knowing that anybody who has a different point of view exists. I have heard government members say there is collateral damage
from speaking up and putting your point of view here. They say that may affect relationships and therefore trade with China. I think China would have more to lose than we would if it were to react to people simply expressing themselves within the democratic and time-honoured bounds in this country. I am totally against violence in protests and I am totally against violence in politics, but I believe that that line is difficult to draw and, as a senator going about what I see as my business, I do not take easily the threat of being arrested in that circumstance. But it came to nothing and I think the officer concerned did calm down in time and recognised it was a better judgment to leave the scene.

The important message is that some of us, on behalf of both Tibetan people in Tibet and expatriates, including those in the small community in Australia, have been able to get across the message that Li Peng needed to hear. As a member of parliament, as a member of the Australian Greens and as a member of a community which holds democracy and peaceful protest extraordinarily high amongst the political rights that everybody around the world should have, I think that was a good message to give to Li Peng last night outside the Canberra Theatre.

Sitting suspended from 1.54 p.m. to 2.00 p.m.

QUESTIONS WITHOUT NOTICE

Superannuation: Ansett Australia

Senator SHERRY (2.00 p.m.)—My question is to Senator Coonan, the Assistant Treasurer and Minister for Revenue. Is the minister aware that her predecessor, Senator Kemp, assured the Senate a year ago that the full superannuation entitlements of former Ansett employees were safe and fully covered, when he said:

... the assets of the five superannuation funds are invested externally by professional fund managers across a diverse range of recognised assets classes ... superannuation is prudentially protected and regulated, and this provides further assurance. Does the government stand by this statement?

Senator COONAN—I thank Senator Sherry for the question, but I must say that I would not accept that as a direct statement of Senator Kemp’s without in fact checking with him. Senator Sherry, I am under some considerable disability in checking with Senator Kemp at the moment in question time. I will do so and I will let you know.

Senator SHERRY—Mr President, I ask a supplementary question. Is the minister aware that the Australian Prudential Regulation Authority notified the Senate Select Committee on Superannuation on 8 August 2002:

The relevant Ansett schemes have not been fully funded for the higher retrenchment level favoured by APRA and the trustee—

and went on to disclose an approximate figure of $200 million of superannuation in dispute? Does the minister believe that former Ansett employees deserve to know who is right? Their superannuation is either fully protected, as Senator Kemp assured them, or $200 million in the red, as stated by APRA. Minister, who is correct: Senator Kemp or APRA?

Senator COONAN—Senator Sherry, the Supreme Court of Victoria, as you know, is currently determining whether there have been retrenchments which would, for the purpose of the Ansett ground staff fund’s trustee deed, entitle members to an additional retrenchment benefit. Quite clearly, the problem arises because defined benefit super funds are subject to periodic actuarial reviews to ensure they are sufficiently funded. In determining whether a fund is adequately funded to cover entitlements such as retrenchments, the actuary would assume some level of staff turnover and redundancy. Clearly, that does not happen when everyone leaves the fund at once. The last actuarial assessment undertaken on the Ansett funds showed these funds to be adequately funded. If the court agrees that members are entitled to a retrenchment benefit, then a shortfall may exist. This is because generally speaking, as I have said, you do not expect everybody to leave at once. If in fact Senator Kemp said that, he would be entirely correct.

Workplace Relations: Waterfront Reform

Senator FERGUSON (2.04 p.m.)—My question is to the Minister representing the Minister for Agriculture, Fisheries and For-
estry, Senator Ian Macdonald. I ask: will the minister outline the benefits for Australian farmers as a result of improved efficiencies on the Australian waterfront? I further ask: is the minister aware of any other policies relating to Australia’s waterfront?

Senator IAN MACDONALD—Senator Ferguson, as someone representing and coming from a rural background, will be very pleased to know the latest results of a benchmarking study done by Access Economics. Senators will know that, with most of Australia’s rural produce exported, getting the goods across the wharf is so very important. Access Economics recently have done a study which shows that improved industrial relations since 1998 have resulted in a more than 50 per cent increase in crane rates on our waterfront. Improved handling of rural commodities across the Australian waterfront is of course very important to our rural industries, and very important to Australia as a whole.

This study, a very good news result, focused on containerised wool, meat, dairy and cotton exports and compared the efficiency of three Australian ports—Melbourne, Sydney and Brisbane—with that of international ports. Crane handling rates are now close to the average of international ports in New Zealand, Canada, the USA, the UK, the Philippines and South Africa. This is in stark contrast to the 1998 situation, which found that net crane rates achieved in Australia were significantly below those of comparable overseas ports. The 1998 June quarter average crane lift rate was 17.8 containers per hour; now it is 26.2 containers per hour. Melbourne is now the second most efficient port, from this worldwide study, with an average of 31.3 crane lifts per hour.

Australian ports also compare favourably in the truck turnaround time. I know that Senator Conroy, being a truck driver from way back, a member of the Transport Workers Union, will be very pleased to know that the average truck turnaround time for international ports is 30.8 minutes but the three Patrick’s east coast terminals recorded an average of 29.3 minutes. That is below the international average—good news for farmers, and good news for exporters. It all comes about through—yes, Senator Ferguson—Chris Corrigan, Patrick’s Corporation, Lang Corporation and the work that they and, I might say, Peter Reith did, in dragging the waterfronts into modern times. Those statistics tell the story. Considering that less than 10 years ago ships could be stuck in Australian ports for days because of a heavily unionised work force, this is a really great result. Senator George Campbell will know all about the waterfront; he used to be with the shipwrights union, and is now representing them in this parliament. He was a member of that. He would be delighted to know of this increased efficiency on the waterfront.

The changes to industrial relations on the waterfront have given stevedores greater control over their business. It is important to note that the Labor Party has opposed these efficiency gains at every turn. Because of the improvement, stevedores have been able to invest heavily in this, and that has brought about the productivity increase. Had we left it to Labor, we would be back in the old, inefficient days and it would mean that Australia’s farmers and rural exporters would not have achieved anywhere near the gains that are made now for our exports and for rural productivity generally. It is a great news story. Senator Ferguson will be very interested in this, and it is good to see it happening.

Superannuation: Ansett Australia

Senator WONG (2.08 p.m.)—My question is to Senator Coonan, the Assistant Treasurer and Minister for Revenue. Is the minister aware that the $200 million of superannuation owed to former Ansett employees has held up payments of their other entitlements? Why didn’t the government act to extend its so-called entitlement protection scheme to cover superannuation? Why didn’t the government act to reassure former Ansett employees on superannuation entitlements, and to reassure any future employees who may have similar uncertainty when a future corporate collapse occurs?

Senator COONAN—I thank Senator Wong for her question. It is interesting that you mention the government’s redundancy scheme, Senator Wong, because I think that,
on current figures, $300 million has been paid out to Ansett employees as part of the redundancy program, which otherwise they would not have got. They would not have got a red cent if this government had not intervened to assist people who needed to have their benefits paid. It is an extremely generous scheme.

Coming back to superannuation, which—if I understand, Senator Wong—was the thrust of your question, the trustees of the various Ansett plans are responsible for determining when and how payments can be made to members within the framework of each fund’s governing rules. That is not something for the government to be overruling or intervening in. They have rules, and the rules are being followed, and this complex problem in relation to superannuation is being worked through. The trustees of each Ansett plan imposed restrictions on payment of total benefits shortly after the collapse. These restrictions were advised to members in a newsletter in November 2001. The restrictions were, and continue to be, based on both legal and actuarial advice, and the trustees will not be in a position to accurately determine members’ individual entitlements and to commence payments of full benefits until the audits and actuarial reviews are complete, all court proceedings finalised and the sale of Ansett’s assets concluded.

As I said in answer to the previous question, from Senator Sherry, currently there is a court case pending in the Supreme Court of Victoria to determine whether, within the meaning of the rules, there have been retrenchments for the purposes of the trust deed of one of the funds—the Ansett ground staff fund—which would alter the entitlements and would provide an additional retrenchment benefit. So the answer to Senator Wong is that this process is well in hand. The actuarial reports that were done at the time that it was necessary to find whether or not the defined benefit funds had to be enhanced showed these funds to be adequately funded. It is only since Ansett collapsed and all of the members became entitled to be paid an entitlement that there have had to be some further determinations. The final position of the defined benefit funds and member entitlements will not be able to be determined until the audits and actuarial reviews are completed.

Senator WONG—Mr President, I ask a supplementary question. Is the minister aware of recent reports that Ansett and Air New Zealand executives received nearly $25 million in payouts, despite their role in the collapse of Ansett? Does the minister think it is fair that the government has refused to reassure former Ansett employees about superannuation entitlements, when the Ansett executives got a completely different deal?

Senator COONAN—I thank Senator Wong for her supplementary question. I can appreciate that Senator Wong might not have much of a corporate memory about Labor’s record in relation to what it did about clawback of benefits to executives.

Senator Ferguson—There’s nothing to remember.

Senator Sherry—What about their superannuation entitlements?

Senator COONAN—I do not think there was in fact any action taken by the Labor government.

The PRESIDENT—Order! Senator Ferguson and Senator Sherry, please stop interjecting. I want to hear the minister’s reply.

Senator COONAN—Thank you, Mr President. There was no action taken by Labor in 13 years to do anything to address the clawback of excessive executive remuneration. We have in fact announced that that is an intention of this government. It is currently under consideration, and it answers Senator Wong’s question in full.

Taxation: Family Payments

Senator COLBECK (2.13 p.m.)—My question is to the Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women, Senator Vanstone. Will the minister inform the Senate how Australian families have benefited from changes to the family tax benefit and child-care benefit? Is the minister aware of any alternative policies? What would their effect be on Australian families?
Senator VANSTONE—I thank Senator Colbeck for his question. As you know, Mr President—and I am sure senators opposite are fully aware of this as well—the family tax benefit system is a dramatic improvement on the previous system. It is dramatic, not least because it provides an extra $2 billion a year to Australian families, over and on top of all the extra money that is in their pockets because mortgage rates have gone down because the country is actually run properly, in a way that it never was in the past. It is a very generous system. It pays out an average of $5,700 a year, tax-free, in family tax benefit payments. In fact, over a quarter of a million families get the equivalent of more than $10,000 a year, tax-free, in fortnightly payments. We are a very generous country in relation to this system. It is a fair system because it pays top-ups. If you did not get enough through the year to balance off with your actual income at the end of the year, you actually get a top-up from this government, in a way that you never did from the Labor Party. The system gives families a choice between fortnightly and lump sum payments through Centrelink or the tax system.

I have announced some new measures. I indicated some time ago in this place that, if we could find a way to finetune this system and give families more choice, we would in fact do that—and we have announced those choices. We will allow families to take family tax benefit part A, which is paid in relation to the cost of children through the year, and, if they choose, to leave taking part B, the compensation for being a single-income family, until the end of the year. We will allow families to choose if they want to take the base rate of family tax benefit and get a top-up at the end of the year. Families now understand, as we move into the third year of this system, that they will get a top-up at the end of the year, in a way that they never did under the Labor Party. We will also make sure that there is some simplification for child-care benefit calculations so that families can choose, if that is what they want, to have a small buffer at the end of the year.

I am aware of previous systems—for example, the one that the Labor Party had. Under that system, it was very simple: families could be paid on their previous tax year’s income or their estimate of their current year’s income. What did that mean? Two families on the same income, with the same number of children at the same age, could get different amounts. People being paid on estimates could get different amounts on different estimates, even if they had the same actual income as others. So the previous systems did not give families that were in the same circumstances—on the same income, with the same number of children—the same amount of money.

It is interesting to see how Labor has responded to this announcement of a change. Mr Swan displayed his great intellectual skills by saying that families had to run the risk of getting their rightful benefit and a debt at the end of the year. If you get your rightful benefit, you have neither been underpaid nor overpaid; you have got your rightful benefit. How possibly can someone have their rightful benefit and have an overpayment? Mr Swan still does not understand this system. Then he says that they will go without payments and hope for a catch-up payment at the end of the year. If anyone gets paid less than their entitlement during the year—and this is the key difference between us and Labor—under this government you do get a top-up; Labor never paid them.

Budget: Printing Industry

Senator GEORGE CAMPBELL (2.17 p.m.)—My question is to Senator Coonan, Minister for Revenue and Assistant Treasurer. Can the minister confirm that the government’s decision to axe the Enhanced Printing Industries Competitiveness Scheme—EPICS—which was announced on budget night, was indeed made for budgetary reasons, as stated by officials from the Department of Industry, Tourism and Resources at estimates in June? If so, can she explain the budgetary implications of the government’s decision, announced on 20 August, to restore the program?

Senator COONAN—I will get an answer on that for Senator Campbell.

Senator GEORGE CAMPBELL—Mr President, I ask a supplementary question.
While the minister is looking for that information, can she also get clarification as to whether the decision to restore EPICS will force the budget further into deficit, or will funds be redirected from other programs? If so, which programs will be affected?

Senator COONAN—I was being rather magnanimous to Senator Campbell in saying that I was prepared to get him an answer, because this does not in fact concern my portfolio.

Taxation: Family Payments

Senator CHERRY (2.18 p.m.)—My question is to the Minister for Family and Community Services. Is the minister aware that, if a person receiving family tax benefit returned to work in January 2002, their income would be attributed right back to 1 July 2001 and that the person might lose their entitlement for family tax benefit for the time that they were not in work and most needed it? Isn’t it the case that the attribution of higher income back across a period of lower or no income is the root cause of the overpayments of family tax benefit bedevilling your department and thousands of Australian families? Why is the minister only now proposing, two years after this new backdating rule commenced, that families can have the additional option of asking for a reduced rate for the remainder of the year to avoid potential overpayments?

Senator VANSTONE—With respect, Senator Cherry, I do not know that your question was phrased in the plainest English that it could have been, but I believe I understand the point that you are getting to. You would be familiar with how the system was designed, Senator Cherry, because you were an adviser to one of the senators, at least—Senator Lees, I think—when all of this package was negotiated. So you will understand that this was a shift to a tax system where people would either get a top-up at the end of the year or else repay—just the same as people do in their tax, where some people get a tax refund cheque and other people get another assessment notice and have to put in some more money. It was envisaged that people would notify their changes of income during the year and of course, if they got a higher income during the year, that would mean we would reduce the payments. But it may mean, as I think is the point that you are making, that for a large period of the year—maybe six months; maybe nine months—they have been paid at a higher rate, because at that point they had a lower income.

You cannot possibly suggest that we should, by some measure of force, pay people a lower amount than their entitlement during the earlier part of the year. That is not fair. Some people have opted in the latter part of the year to put in a higher estimate of income to ensure that any overpayment is taken into account. That has been happening, but it perhaps has not been happening as often as it could. So what we have done is to directly put that choice to families as to whether they would like to have their future payments adjusted to take account of any overpayment in the past.

But that is not the only choice that is offered. I outlined the other choices that are offered in the earlier question that I answered—for example, to allow families to take a base rate and get a top-up at the end of the year. The only families on FTB part A that could get an overpayment under that situation would be families that were earning more than $80,000 a year. So I think this extra choice is a good thing. I am pleased that we have done it. As with all things, Senator Cherry, with hindsight you can say: why didn’t it happen sooner? You could always ask that question. It is a pretty pointless question; it is a navel-gazing question. I like to look forward to the future. The key point, I think you must agree, is that we have made a good change.

Senator CHERRY—Mr President, I ask a supplementary question. I thank the minister for her answer—of sorts. Isn’t it the case that the core problem with the new payment system is that, when the family payments system, which was a social security payment, was rolled into the family tax benefit, the government abolished the ‘notional date of event’ concept which allowed income to be taken into account only from the date on which it was earned? Why doesn’t the government stop asking families to apply for less than they are entitled to under the new rules, which is essentially what you are asking, and
apply the old rules, which did not lead to hundreds of thousands of systemic debt recoveries of overpaid family payments?

Senator VANSTONE—Senator, with respect, I think you still misunderstand. I know you do not think you misunderstand—that is actually a function of misunderstanding. People do not misunderstand and believe they misunderstand. The concept of misunderstanding is that you do not understand and you do not realise that you do not understand. That is actually what misunderstanding means. It is what the prefix ‘mis’ before the word ‘understand’ actually means, so it is no surprise to me that you shake your head and say, ‘No, no, I don’t misunderstand,’ because anyone who misunderstands does not understand that they misunderstand. That is the whole point. I cannot use any plainer English than that.

Senator Cherry—Mr President, I raise a point of order. I ask that the minister answer the question.

The PRESIDENT—Senator Vanstone, I ask that you answer the question.

Senator VANSTONE—We have shifted to a tax payment system where people have a reconciliation at the end of the year. You seek to highlight that some people have had an overpayment. The government has acknowledged that some people had difficulties in the first year, and that is why we had those tremendously generous waivers in the first year. (Time expired)

Superannuation: Commercial Nominees of Australia Ltd

Senator HOGG (2.24 p.m.)—My question is to Senator Coonan, the Assistant Treasurer and Minister for Revenue. Is the Assistant Treasurer aware of reports in the Business Review Weekly on 5 September and the Sun-Herald on the 8th that at least five former directors of Commercial Nominees, the disgraced trustee at the centre of Australia’s largest superannuation fraud, are still involved in superannuation? Isn’t it a fact that the Assistant Treasurer’s own determination of 14 June providing compensation relied on Commercial Nominees having engaged in fraudulent conduct? How can Australians know that their retirement savings are safe when those involved in this fraud are free to run amok with super all over again?

Senator COONAN—I thank Senator Hogg for his question, although it is based on a completely false premise. The situation with APRA and with what it does in relation to fraudulent misconduct in relation to trustee funds is something that has been the subject of the Superannuation Working Group’s report, the Don Mercer report, which I currently have and on which I will be responding very shortly. APRA has in fact taken action in respect of a number of directors for misconduct in relation to Commercial Nominees. APRA has issued seven show cause letters to former directors of Commercial Nominees, and these letters ask former directors to show cause why they should not be disqualified under section 120(a)(iii) of the superannuation supervision act. Other show cause letters are being issued, as I understand it, progressively. APRA has also informed me that they have referred certain matters to the Commonwealth Director of Public Prosecutions and will shortly be in a position to refer certain other matters to the Australian Federal Police.

As these matters are undergoing investigation at present, it would simply not be appropriate for me to comment any further. As to action that has been taken in respect of members who have been impacted, it is important that the Senate know that to date I have made 197 determinations to grant financial assistance to superannuation funds that have suffered a loss as a result of fraudulent conduct or theft. I have placed a condition on all 197 grants that require trustees to continue in consultation with APRA to seek out all possible methods to recover lost funds. That includes, of course, prosecution of directors and recovery action against directors where appropriate.

Senator HOGG—Mr President, I ask a supplementary question. Minister, in response to my question, you mentioned that seven show cause letters have already been issued and that more were to be issued. Can you give the Senate an idea of the time frame in which those further show cause letters will be issued?
Senator COONAN—Senator Hogg, I do not know whether question time today will make everyone on the other side a purported expert on superannuation. If you were, you would know that it is necessary for extensive legal investigations to be undertaken and that, as part of the regulatory framework you voted for, there is a procedure that has to be undergone to comply with the requirements of the act. In fact, there are still a number of legal reports outstanding and, following those reports being made available, I will obviously get some advice as to when the rest of the show cause letters will issue.

Agriculture: Sugar Industry

Senator HARRIS (2.28 p.m.)—My question is to Senator Ian Macdonald, representing the Minister for Agriculture, Fisheries and Forestry. Minister, does the government believe that the proposed sugar levy and its proposed use will give a viable sugar industry a future in the long term when growers are in such dire straits now? Will the government strike the levy on all domestic sugar sales and use the proceeds to support the current world price for five years? This would give the industry a time frame to restructure and position itself for the future and would achieve long-term stability.

Senator IAN MACDONALD—I know that Senator Harris, like all Queensland senators sitting on this side of the chamber, has a very great interest in the sugar industry, and I thank him for his question on the industry. Senator Harris, you will recall that Mr Truss, on behalf of the government, made an announcement a week or so ago about the new sugar industry assistance package. The centrepiece of that was that $60 million would be provided for a regional adjustment and diversification package with industry rationalisation. That was to be driven by local communities under the direction of an industry guidance group.

There will also be an industry subsidy scheme to support re-planting as well as short-term support measures for 12 months to help stabilise the industry and $45,000 for individual farmers wanting to exit the industry with dignity. The Queensland government has a role to play, and the Commonwealth is currently in the process of signing a memorandum of understanding with the Queensland government on a joint package from both Queensland and the Commonwealth. That MOU will outline the commitment of both governments to an efficient and viable sugar industry and it will also address the removal of any impediments to the industry reform, including elements of the Queensland Sugar Act. You will be pleased to hear, Senator Harris, that export single desk arrangements will not be reviewed as part of this Commonwealth-state agreement.

In answer to your question, I believe that the package will support a viable and progressive industry into the future. Cane growers and the industry generally should understand that this is not a 'business as usual' approach. The government and the public generally will require the industry to restructure and reform its operations. Honourable senators will all be aware that only one year ago we completed a previous $60 million package to the sugar industry where we required reforms but, for reasons that were really perhaps not the fault of the industry, the reform was never achieved as it should have been.

To pay for this new $150 million package there will be a levy, Senator Harris, as you rightly say. That levy will fund about $100 million of the $150 million package, with the rest coming from the Commonwealth and Queensland once the details are finalised. The full details of that levy are still being developed and there is a lot of work being done. The aim is to set the levy at a level that will not significantly disadvantage the Australian food manufacturing industry. I am confident that the industry is prepared to make some tough decisions and that this generous Commonwealth assistance will ensure a sound future for this very important industry.

As Senator Harris will know, part of the overall package—although not directly related to sugar—is the new approach to ethanol. We believe that this, along with other diversification in the areas that previously grew only sugar, will mean that the part of Queensland that Senator Harris comes from and that Senator Boswell and my Queensland Liberal Party Senate colleagues are
very interested in will have a very strong and sound future in the areas up and down the coast of Queensland.

Senator HARRIS—I rise to ask a supplementary question. I thank the Minister for Forestry and Conservation for his answer to the question, but I believe that it appears that the sugar industry assistance package is not going to translate to real benefits to the average farmer. Is the government prepared to modify its plans in some way to provide ‘food on the table’ assistance to growers while the industry develops other options—that is, ethanol or bioplastics? Will the government ensure that when a viable ethanol industry is in operation the benefits from the ethanol production will flow through to the growers and not be captured by the processors? I emphasise that other value-adding at the present moment in the sugar industry, by way of products like Bagas or other byproducts, remains with the mill producers. Will the government ensure that the proceeds from the ethanol do go back to the growers? (Time expired)

Senator IAN MACDONALD—I think all elements of the sugar industry at the present time understand that they have to work together. The old approach of growers versus millers versus harvesters really has to go and is going. The industry has come to the realisation that those groups have to work together. It is no use having a profitable milling section if the growing section is going out the back door. I think you will find—and I know this is happening—that the growers and the millers will be forced to work more closely together, and I am quite confident that that will happen.

You asked whether we would have a ‘food on the table’ package. Certainly that is part of the proposal that has been offered and announced. It is something that I know Senator Boswell has been very keen on and something which I know you have been very concerned about, so that certainly will be there. But there does need to be rationalisation and there does need to be reform. (Time expired)

Finance: Small Business

Senator CONROY (2.35 p.m.)—My question is to Senator Coonan, the Assistant Treasurer and Minister for Revenue. Is the minister aware of the view expressed by the Australian Chamber of Commerce that the government’s third version of superannuation choice could create excessive paperwork for employers? How does the minister reply to the Chamber of Commerce’s claim that the burden has ‘some parallels’ to the disastrous GST business activity statements and that business was ‘hypersensitive’ to red tape? Why is the Howard government so intent on overloading small business with excessive costs and paperwork?

Senator COONAN—I thank Senator Conroy for his question; apparently he is now moving into superannuation also. What underlies Senator Conroy’s question is the fact that what we all know is now perfectly clear: the Labor Party oppose choice. They oppose choice for Australians who want to have some opportunity to move their funds from a non-performing fund, even if they want to make another choice. One size does not fit all. Obviously, we have a situation where the ALP have opposed choice for something like six years. Senator Sherry did a U-turn a couple of months ago and said, ‘We might support choice, subject to certain conditions.’ But there is no doubt that the Labor Party oppose choice. On spurious grounds, it would seem, they will clutch onto any industry statement and try to ride on the coat-tails of industry to try to oppose choice.

Senator Sherry—What about the question?

Senator COONAN—Your choice would be totally unworkable, through you, Mr President, because obviously in some situations, such as in the proposal that you have made, there would have to be exclusions. In relation to Labor’s choice, there obviously has not been any thought given to the compliance costs to business; absolutely no thought has been given to that. In fact, ASFA—a very reliable source—and Ms Philippa Smith have said that Labor’s options would be an administrative nightmare. If you want to talk about costs to business,
you only have to examine the alternative policies of the Labor Party.

The government has moved to limit the compliance costs associated with choice for business, particularly small business. Employers will have the flexibility to choose the most cost-effective and least onerous method of providing choice to employees. Employers can satisfy their choice of fund obligations by entering into a certified agreement or AWA with their employees. If no such agreement exists, they must provide a standard choice form to existing employees from 1 July 2004 and new employees after that date. After this time, employers will only have to provide this information at the request of the employee and only if the employee has not exercised a choice in the previous 12 months. These were positive steps taken to minimise the compliance costs to small business.

There are advances in software and electronic commerce to make it easier for businesses to contribute to more than one fund. The experience in Western Australia, where choice has been operating for about four years, is that clearing houses have been set up to allow employers to efficiently and cheaply make contributions to multiple funds. The models are there to minimise the cost to small business. If the Labor Party were fair dinkum in supporting choice, they would have a look at these models and be supporting the initiative.

Senator CONROY—I ask a supplementary question, Mr President. Is it true that the Motor Traders Association and the National Farmers Federation have also expressed similar concerns about the government’s choice regime, particularly in relation to the fact that, if employers get it wrong, they face $13,200 in fines on a strict liability basis for each employee—an impost of $132,000 to a small business with 10 employees? How many representations has the minister received from small businesses with concerns about the government’s superannuation choice proposals?

Senator COONAN—Thank you for the supplementary question, Senator Conroy. I am aware of ASFA’s complaint that Labor’s proposal would be an administrative nightmare. As I have pointed out in great detail, the fact that choice has been operating for four years in a Labor Party state—Western Australia—where there have been alternative models developed to enable employers to minimise compliance costs, clearly shows that, if employers are concerned in relation to choice, there are models available which will enable them to minimise choice. Also, the government is putting in place various proposals to make sure that the ATO can appropriately administer choice, together with an education campaign in the order of $28 million over four years, which will enable small business and employers to minimise any costs of compliance. (Time expired)

Crime: Money Laundering

Senator PAYNE (2.41 p.m.)—My question is to the Minister for Justice and Customs, Senator Ellison. Will the minister advise the Senate of the government’s latest regional initiatives for the combating of money laundering and the financing of terrorism?

Senator ELLISON—I thank Senator Payne for what is a very important question in the fight against terrorism and organised crime—all matters of concern for Australians. Money laundering today is one of the chief tools of both terrorists and transnational criminals. In the region we have formed agreements in relation to the transaction of financial intelligence. We have signed agreements with New Zealand and Vanuatu. We are negotiating agreements with Malaysia, Thailand, Hong Kong, Japan and Korea. We have just announced an agreement with Singapore.

Senator Carr—What about Nauru?

Senator ELLISON—I hear the opposition talking about Nauru. They might be interested to know that Nauru has passed anti-money laundering legislation and that, as part of our regional strategy, we are working closely with Nauru to address anti-money laundering in the region. That puts paid to the opposition’s catcalling, because they have not been following and they are not up to date with what this government is doing in relation to fighting money laundering by criminals and terrorists in the world today.
We have seen Indonesia passing anti-money laundering legislation, and we are working with the Indonesians closely so that they will have a financial transaction reporting agency along the lines of our AUSTRAC. AUSTRAC is the Australian body which deals with anti-money laundering and is held up to world’s best practice. I have just come back from the United States of America, where they look to AUSTRAC as being one of the best examples in the world of an anti-money laundering agency. This government is intent on working with our regional neighbours in fighting both transnational criminals and terrorists in money laundering. Money laundering is essential for their criminal behaviour and terrorism. We saw just recently in the United States that, as a result of Operation Green Quest, over $1 billion has been seized in relation to an investigation against terrorism in that country.

We are still doing other things in both the Pacific and South-East Asian regions. In December we and Indonesia are co-hosting a conference on terrorist financing and money laundering. Our Minister for Foreign Affairs, Mr Downer, will be opening that conference with his Indonesian counterpart. That is yet another example of the close relationship we have with Indonesia. It follows on from the very successful conference that we co-hosted with Indonesia earlier this year on people-smuggling and transnational crime.

This agreement with Singapore is a very important one. Singapore is a financial centre in the region, and just yesterday we saw the arrest of suspects in Singapore in relation to suspected terrorist activities which could have involved the Australian High Commission in Singapore. The agreement that we have with Singapore therefore is essential in relation to the exchange of financial intelligence and is a step further in our anti-money laundering efforts in the region. We are finding today that, increasingly, organised crime is getting into bed with terrorism. That is happening in western Asia, South-East Asia and also in South America—South America is an area of key influence in the South Pacific. We have to be alive to any money laundering efforts by criminals and drug syndicates in that area, as well as the activity of terrorist groups which are also present in that region. AUSTRAC is, as I said, one of the world’s best anti-money laundering agencies. What we have in AUSTRAC is an essential tool in fighting money laundering in the world today. We in Australia can be proud of the efforts that we are making in our region in both the Pacific and South-East Asia, working with our neighbours in the fight against terrorism and transnational crime. (Time expired)

**Superannuation: Fees and Charges**

**Senator MARSHALL** (2.46 p.m.)—My question is to Senator Coonan, the Assistant Treasurer and Minister for Revenue. Is the Assistant Treasurer aware that under the government’s proposed disclosure rules for superannuation funds the ongoing management charge would not have included contribution fees, entry fees or exit fees? Does the Assistant Treasurer agree with Treasury officials, who in Senate estimates hearings earlier this year admitted that the OMC would provide an incomplete and potentially misleading picture of the charges that fund members actually face? Doesn’t the minister believe that consumers deserve better than disclosure statements which are up to 60 pages long but do not tell the whole story? Why should Australians have to obtain a finance degree before they are able to understand how much the fees and charges on their superannuation are really costing them?

**Senator COONAN**—In an answer that I gave yesterday, which was pretty comprehensive, I dealt with the fact that this whole issue of disclosure and the Labor Party—the voting down of regulations that would have provided adequate disclosure—is one that reflects very badly on the Labor Party and, I might say, on the minor parties. The important issue on disclosure is that there is an existing regime in place and there is a transitional period of two years. It was very important for industry generally to know where they stood.

**Senator Sherry**—And it requires disclosure of all fees.

**Senator COONAN**—The regulations required disclosure of all the fees. The only
issue with the regulations really was the sort of detail that was provided, not that there was not an obligation to disclose. The actual regime that has been put in place already provides that there must be disclosure. The regulation simply provided a how-to, a mechanism to do it. The fact that those regulations have been voted down will add to the confusion out there in the general public as to what may be required. Certainly it does not reflect any credit on the Labor Party or the minor parties that they have simply confused the issue further.

Senator MARSHALL—Mr President, I have a supplementary question. Is the minister also aware that preliminary results from the Association of Superannuation Funds of Australia’s market testing of documents prepared in accordance with the government’s proposed regulations show that the government’s model would have created utter confusion? Isn’t it true that the Australian Consumers Association said yesterday that the OMC was ‘useless as a disclosure tool’? Isn’t it also true that the government refused to do their own market testing and relied simply on input from representatives of the big investment companies? Will the minister now commit to input from ordinary Australians in developing a new disclosure regime?

Senator COONAN—I think it was after a couple of years of extensive consultation with all industry players that a disclosure regime was developed. It was put out there, and was out there for everyone to see. It is diverting to say the least that the ACA did not expressly criticise or, indeed, provide any comments on the OMC until after the FSR disclosure regime had in fact commenced on 11 March this year. Despite requests, the ACA have still not provided details of their proposed alternative fee disclosure model—

Senator Sherry—You’ve got it wrong.

Senator COONAN—and, I might say, neither has Senator Sherry, who is interjecting over there, come forward with any alternative model. No-one, despite whatever criticisms may be levelled, has come forward with any alternative disclosure model. (Time expired)

Defence: Use of Facilities

Senator GREIG (2.50 p.m.)—My question is to the Minister for Defence, Senator Robert Hill. Does the minister recall a previous statement by him, where he said:

Pine Gap is a major intelligence facility which would be utilised in the event of military action against Iraq.

Does the minister also recall a report in the Australian just two days ago, where he was quoted as being on the verge of approving the use of HMAS Stirling naval base near Fremantle as a US Navy sea swap port, which would allow the US Navy to send its warships serving in the Persian Gulf to Perth for a change of crew and repairs? Does the minister recall reports that there was the possibility of the US Navy using the Lancelin bombing range north of Perth for exercises involving shore bombardment? Has the minister made any decisions, or is he aware of any decisions, about offering these Australian facilities for use by US warships?

Senator HILL—I have a bit of trouble in appreciating the connection with Pine Gap. I actually cannot recall the statement to which the honourable senator is referring, so he might let me have that. The sea swap proposal is a proposal that, on some occasions, instead of returning ships all the way to continental US for the swapping of crews, the US might swap them elsewhere in the world. Australia is one of the countries which are being considered. The advantage for us, apart from supporting an ally, would obviously be the opportunity for some maintenance type work—if we are talking about Perth, that would be good for industry in Western Australia—as well as providing interoperability experience with the United States. The matter is under consideration; when the government has made a decision on it that decision will be announced.

Senator GREIG—Mr President, as a supplementary question, I ask the minister whether the government is concerned at the prospect that the use of the joint US-Australian facility at Pine Gap and Australian naval ports to support US efforts in any future military action against Iraq may in fact threaten Australian security and increase its vulnerability to conflict.
Senator HILL—Speaking in general terms—it is not the usual practice to talk about the use of that capability—it is, in effect, a global strategic asset that significantly contributes to Australia’s security and to that of our friends. If you believe in collective security, as I do, you believe in making an investment for the benefit of that security. We invest in our alliance and in our other security arrangements in order to better protect this country and its people. It is on that basis that we host the Pine Gap facility.

Superannuation: Fees and Charges

Senator SHERRY (2.54 p.m.)—My question is to the Minister for Revenue and Assistant Treasurer, Senator Coonan. Is the Assistant Treasurer aware that Treasury estimates of future retirement incomes provided to the Senate Select Committee on Superannuation assumed that Australians would be able to purchase from the private sector, with their retirement savings, annuity and pension products with no fees or charges? Is the Assistant Treasurer also aware that the Investment and Financial Services Association, IFSA, informed the committee that no such financial products existed? Given that according to IFSA average annual member costs for annuity pension products are in fact 1.7 per cent of assets, does this mean that Treasury are simply wrong, or does the government plan to go one step further than Labor’s options to cap super fees and ban them all together?

Senator Kemp—You haven’t got a policy!

Senator Ian Campbell interjecting—

The PRESIDENT—Order! Senator Kemp and Senator Ian Campbell, please give your colleague an opportunity to answer the question.

Senator COONAN—I thank Senator Sherry for the question. The answer to the question very simply is no, it is not the case at all. The claims about Treasury methods and figures that have been presented to the Senate committee are simply not correct, because obviously Treasury projections are over a long period of time and they also include factors which are important to take into account that are not otherwise taken into account by ASFA. The whole-of-life annuity calculations in the Treasury submission involve a figure of four per cent. When you go back to ASFA and look at fees and projections, there are none. The rate of return of the annuity is a long-term bond rate of six per cent whereas ASFA claims it is seven per cent.

As Senator Sherry would know from having sat on the committee, there has been testimony given by witnesses that five or six per cent was an appropriate rate. ASFA claimed that NATSEM used wage deflation for comparisons over time. In actual fact, NATSEM’s publications, such as Trends in Income and Assets of Older Australians, use CPI deflation for comparisons over time. Certainly, while Treasury’s annuity factors have been attacked, the comparisons appear wrong. It seems that ASFA give the more generous retirement incomes, but if you take into account other factors you get a very different result. It is all a matter of what you assume and what you take into account.

The Retirement and Income Modelling Unit calculates a replacement rate of 63 per cent in this case—60 per cent for the first year of retirement compared to the last year of working life—while ASFA’s numbers imply a 61 per cent replacement rate of expenditure. The replacement of private expenditure is the appropriate way of comparing standards of living of those working to those of the retired. Whilst, once again, there have been a number of criticisms of Treasury’s modelling, there has not really been any appropriately presented details of its own hypothetical modelling. I think criticisms are designed, in many respects, to leave out the effects of government measures to improve adequacy, which are well known; the senior Australian tax offset and the wage indexation of age pensions are very important factors.

Senator SHERRY—Mr President, I ask a supplementary question. The question went to the issue of Treasury claims that you could buy private annuity products without any cost from the private sector, not replacement rates for retirement incomes. Given the Assistant Treasurer has apparently ruled out banning administration fees on superannuation products, can she explain why the gov-
...ernment refuses to support proposals to protect retirement savings through a fee cap?

Senator COONAN—Treasury’s figures over time have always been found to be pretty accurate, and they are very conservative figures. But, coming to the different topic that Senator Sherry raises in his supplementary question, I think it shows the Labor Party’s agenda on superannuation: it is all about regulation, imposing fees and caps, shutting down superannuation rather than allowing choice, sticking it up small business, making sure that the industry is strangled and looking after the union mates—it is all about the industry superannuation funds and it is not about true choice and disclosure for Australians.

Telstra: Services

Senator FERRIS (2.59 p.m.)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Alston. How is the Howard government ensuring that people with life-threatening illnesses are receiving priority assistance from Telstra in the installation and repair of their telephone services? Can Senator Alston tell the Senate what has been the reaction of the various representatives of general practitioners to the government’s unprecedented commitment to this very important area of communications?

Senator ALSTON—I hate to disappoint my colleagues on the other side of the chamber, but Senator Ludwig was quite prescient in raising this issue yesterday because he drew attention to a very significant initiative on the part of Telstra and one that has been worked through with the Royal Australian College of General Practitioners and the Rural Doctors Association of Australia. Both of those two organisations have rightly recognised their responsibility to assist people with life-threatening illnesses. That, of course, is the essence of the doctors charter, and that is why these matters are of very great concern to people in rural areas who might not have instant access or who might need their phones repaired and installed in a very critical time frame.

The licence condition we imposed on Telstra earlier this year requires it to repair faults and provide new connections to such priority customers with life-threatening illnesses within 24 hours, or 48 hours in remote areas. That is a very important step forward. It is over and above all the obligations contained in the universal service obligation and the customer service guarantee—which, of course, the other side have not the slightest interest in. I think it is very positive that the Royal Australian College of General Practitioners put out a statement yesterday, headed ‘GPs support Telstra on priority medical program’, saying that it was ‘pleased to be able to offer support for the program’ and, ‘This service will be particularly important to people living in rural areas.’ A similar situation exists with the Rural Doctors Association. Both organisations know that GPs will be able to claim for the time spent, including the form when it is part of the consultation. What is deeply disappointing is that the rapacious trade union, the AMA, insists on playing politics—

Opposition senators interjecting—

Senator ALSTON—There are a lot of them around, I know, but this particular one deserves a very special bagging today. The President of the AMA said:

Telstra’s Priority Assistance Program is a cop-out because it attempts to get doctors to cover for Telstra’s failure to provide adequate phone services.

Then it says:

The AMA rejected the proposal because referring patients to a priority list would raise concerns under the Privacy Act, expose doctors to possible legal action, and create more red tape for GPs.

None of those issues were problems for the College of GPs or the Rural Doctors Association—and of course, as Senator Ludwig rightly pointed out yesterday, they obscure the only true reason for the AMA’s objections that they do not get a schedule fee for providing that additional service. So, once again, what we have here is the AMA playing politics with people’s lives and using this issue to try to justify a wage increase. There are past masters on the other side of the chamber at that sort of practice, but I really think this is stooping very low indeed. The AMA ought to be ashamed of this latest ‘whatever it takes’ tactic. The Hippocratic
oath deserves a lot better, and it certainly should not be used as a weapon for achieving a wage increase.

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

PARLIAMENTARY LANGUAGE

The President (3.03 p.m.)—Order! On 16 September 2002 Senator Brown asked that the chair consider whether remarks made about him by Senator Sandy Macdonald were in conformity with the standing orders. Senator Sandy Macdonald said, in effect, that Senator Brown could always be trusted ‘to do something that will hurt Australia and offend our friends’ and that senators could not remember when Senator Brown, either at home or abroad, has done something that uplifts Australia or our history or our record. Standing order 193 provides:

A senator shall not use offensive words against either House of Parliament or of a House of a state or territory parliament, or any member of such House, or against a judicial officer, and all imputations of improper motives and all personal reflections on those Houses, members or officers shall be considered highly disorderly.

On past precedents, I do not think that it is contrary to this standing order to say that a senator’s actions hurt Australia, offend our friends or fail to uplift Australia. This is merely a variation on a claim, which is frequently made, that the actions of a government or an individual member of the parliament are harmful to the country. If Senator Macdonald had said that Senator Brown deliberately set out to harm Australia and offend our friends, that would have been a different matter, but he did not make that allegation. I therefore rule that Senator Sandy Macdonald’s remarks were not contrary to the standing orders.

QUESTIONS WITHOUT NOTICE:

TAKE NOTE OF ANSWERS

Answers to Questions

Senator SHERRY (Tasmania) (3.05 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 opposition senators today relating to superannuation.

The Labor opposition today posed a number of questions in regard to various aspects of superannuation. Superannuation is a very important issue in this country, because there are some eight million Australians with superannuation. It is compulsory for all employees to have superannuation. They receive contributions at least to the level of nine per cent of their ordinary time earnings. So superannuation is a very important policy—and, I might say, one introduced by a Labor government—to improve the retirement incomes of all Australians, particularly against a background of an ageing population and a considerable degree of uncertainty among Australians about what their retirement income will be.

The uncertainty focuses on a number of issues that the opposition has raised today in Senate question time. Australians are entitled to know that the Australian superannuation system is secure and stable and will provide them with a decent retirement income that is properly protected. I raised the issue of the problems with the superannuation of former Ansett employees. My colleague Senator George Campbell is going to make some comments about that. We raised issues relating to the government’s proposed choice—it is really the deregulation of superannuation—and the significant adverse impact that will have on small business in Australia, and to the disclosure of fees and charges. If Australians are to make informed choices about the superannuation fund they wish to be a member of, it is critical that they know and are able to understand the documentation provided to them so they can make informed choices about where their superannuation is accumulating.

In that respect, earlier this week the Australian Senate—the Australian Labor Party, together with the minor parties and Independents—rejected the proposed regulations that the Liberal government had submitted to the Senate which required the disclosure of fees and charges and other consumer information. We rejected the proposed regulations because they were inadequate, in that they failed to set out in a clear, concise and pre-
cise form the level of information that is required to enable eight million Australian consumers to make informed decisions about their superannuation.

I have with me an information brochure or key feature statement which, if those superannuation regulations had been successful, is typical of the type of information document that would be provided by superannuation funds to eight million Australians, who would then be required to make some sort of decision based on information outlined in the document. This document is some 38 pages long. It is certainly crammed full of information and it includes some three pages outlining the various fees, charges and commissions that would be payable. I must say that this product is pretty typical—we have contributions charges, entry fees, ongoing management charges, plan expense charges, investment charges and debit fees.

The Labor Party’s complaint was not that the information is not in the documents. There is a massive amount of information, as I have shown. The problem is that the government has not consumer-tested these documents in any way to assess whether or not consumers can actually understand them. I would submit to the Senate that eight million Australians are going to have a good deal of trouble understanding these types of documents. The fees are not shown in a comprehensive and consolidated form, so Australian consumers cannot see the impact of the fee upon their superannuation savings. That is critical. A one per cent total fee reduces retirement savings by 10 per cent. How can ordinary Australians be expected to add together different percentages and different flat fees—four or five in this case—and work all of this out? (Time expired)

Senator Watson (Tasmania) (3.10 p.m.)—I wish to take the opportunity in this taking note of answers debate to outline to the Senate some very necessary improvements that have been made by APRA to its structure, recruitment and operational performance. I do that in the light of some perhaps not intentionally misleading assertions that have been made by the opposition on the current position of APRA. It is true that, in the early days, there were certain problems in relation to one particular fund—namely, CNAL—where APRA believed that it did not have regulatory oversight. That issue has now been remedied and APRA is taking very strong and appropriate action to rectify the situation.

It needs to be said that APRA oversees something like $1.4 trillion of assets on behalf of something like 20 million Australians. We need to bring into this debate some appropriate perspective to balance this against the failures. Of course, these failures have caused tremendous emotional and financial problems to the people affected. We have played our part on the Select Committee on Superannuation in rectifying this situation and bringing justice, as has the government. The Minister for Revenue has very appropriately made act of grace payments under section 229 of the SIS(S) Act to assist many of those people who have lost money.

I think it is necessary to outline to the Senate the sorts of measures that Senator Coonan referred to briefly. Significant decisions have been made by the regulator, particularly during the time that Senator Coonan has had this responsibility. These decisions are very significant and I think they have certainly enhanced the status of APRA. What have they done in terms of using their resources? This has been a criticism of APRA. They have recruited more staff, and more specialised staff, so as to fill in the skills gap that previously existed. That skills gap was partly due to the fact that, when APRA moved from Canberra to Sydney, there was an exodus of a lot of good and key staff.

More importantly, APRA has established a quality assurance unit to develop and promote practice in supervisory and enforcement procedure right across the agency. It is not dissimilar to the sorts of processes and procedures adopted by the ATO. You must have this in an organisational structure that oversees so many different types of products for around 20 million Australians. They have also been building up their insurance expertise and they have been doing work on their own resource benchmarking with regard to their levels of performance and how well they are doing things.
It is also important to note the sea change that has occurred in a relatively short period of time. In the year 2000, for example, only 36 per cent of superannuation funds actually lodged on time. Of course, if funds do not lodge on time, there is a problem. By the year 2001, the percentage of funds that had lodged on time had lifted from 36 per cent to 93 per cent.

During question time, reference was also made to the OMC—a measure that was unfortunately voted down recently by the ALP. Of course it has created some investor concern, but there have been some misleading statements because people have alleged that the OMC does not take into account entry and exit fees. This is incorrect.

(Time expired)

Senator GEORGE CAMPBELL (New South Wales) (3.15 p.m.)—I take note of the answers given by Senator Coonan today to questions in relation to superannuation. It is interesting to note once again the gap that exists between the rhetoric of this government and its actions. Senator Coonan stood up here today, in response to a number of questions on superannuation, and told us how effectively this government was handling the issues, dealing with the problems that are out there, looking after the interests of average Australians and looking after the interests of small business in terms of superannuation—in the sense that everything was rosy in the garden.

Senator Watson—There were 199 endorsements, Senator Campbell.

Senator GEORGE CAMPBELL—Senator Watson, she ignored Senator Sherry’s reference in his question to the answers Senator Kemp gave last year that in fact there would be full superannuation entitlements for former Ansett employees, that they were safe and that they were fully covered. Senator Kemp said:

... the assets of the five superannuation funds are invested externally by professional fund managers across a diversified range of recognised assets classes ... superannuation is prudentially protected and regulated, and this provides further assurance.

That was the minister 12 months ago assuring Ansett employees that their superannuation was safe. Yet the organisation you have just defended, APRA, said on 8 August that the relevant Ansett schemes had not been fully funded for the higher retrenchment level favoured by APRA and the trustees, and it then went on to disclose an approximate figure of $200 million of superannuation that is in dispute. What has this created for Ansett workers? It has created a great degree of uncertainty about what superannuation entitlements they will get. Somebody posed the question today: if Stan Howard had been a director of Ansett, would the workers have had as much difficulty getting a response from this government in terms of their entitlements as they have so far? This government has done nothing—

Senator Hill—What would they have got from Labor?

Senator GEORGE CAMPBELL—Under our scheme they would have been fully funded, Senator Hill. Under Labor’s scheme they would have been fully funded—and you know it. You have done nothing about the $25 million that was paid out to Ansett executives; you did not attempt to stop those payments going to those executives while the workers of Ansett are still left in substantial doubt about what their entitlements might be. In fact, you have refused to extend your general employee entitlements scheme to unpaid super in the event of corporate collapses. You have specifically excluded it from the process. You have consistently, as you always do, not measured up your actions to your rhetoric. You have done nothing.

The only time you have dealt with workers entitlements in an honest and sincere way is if individuals in the companies have had some link to the Liberal Party or people in the Liberal Party have been associated with those companies. That is exactly what happened with Stan Howard and National Textiles and some of the other areas. You have done nothing about trying to fix up those gaps. You have done nothing about trying to ensure Ansett employees that their entitlements in respect of super will be secure.

I may address the other issue that was raised here today by Senator Coonan, and that goes to the issue of small business and the current provisions on superannuation choice that have been peddled by this gov-
ernment. I have been conducting an inquiry with small business. You go and talk to small business proprietors about whether they want choice of super. They what the opposite. They want employees to have a super fund they can make their payments into instead of having to make payments into a myriad funds which costs them substantially in administration costs, time, resources and all the rest of it. Go and talk to small business. Do not listen to your own rhetoric, John. You go out and you talk to small business and find out what they want in superannuation choice. They want the right to choose a fund to pay into for their employees on a consistent basis. 

(Time expired)

Senator CHAPMAN (South Australia) (3.20 p.m.)—In this debate to take note of the answers given by Senator Coonan today to questions relating to superannuation, we have just heard Senator George Campbell shedding crocodile tears on behalf of employees. This is a man who, we remember, one of his Labor colleagues even described as having ‘100,000 dead men around his neck’. I need to remind Senator Campbell that, under the previous Labor government, employees in the situation of the Ansett employees would have got absolutely nothing—no entitlements whatsoever, zilch. Yet he has the hide to come in here and criticise the present government because of what he alleges is their inadequate dealing with this particular issue of employee entitlements. It is this government that has put in place initiatives to ensure that employees do indeed obtain their long service leave, superannuation and other entitlements. So let us not hear these crocodile tears from Senator Campbell with regard to employee entitlements.

In regard to this issue of superannuation that the Labor Party raised in the chamber today, we have seen a persistent attempt by the Labor Party to thwart the government’s beneficial initiatives on superannuation and retirement incomes generally. The Labor opposition have persistently opposed the government’s legislation to allow employees to choose the fund that they wish—the fund of their choice—to manage their superannuation entitlements. This week, they have held up a key part of the Financial Services Reform Act by disallowing regulations on the ongoing management charge disclosure requirements with regard to superannuation under that very important financial services reform.

With regard to that, the Labor Party are ignoring the fact that it is the final return that counts for people who are investing in superannuation and generally saving for their retirement—not the fees. They are ignoring that it is quite often those funds that charge fees that provide the higher overall return. So, at the end of the day, the retirees will be much better off because of the higher earning power demonstrated by those particular funds than by the union-run industry funds that may not have fees. But, again, the Labor Party want to divert attention from that fact and hope that we will ignore it.

This debate really demonstrates a stark difference between the Labor Party and the Liberal and National parties on issues such as this. Senators on the government side have a philosophy whereby we trust in people—we believe people actually have the capacity to manage their own affairs, including their financial affairs, and to know what they are doing in relation to saving for their retirement. Whereas the Labor Party do not have any trust in people at all. They simply want to adopt a paternalistic approach and, in this instance, have a third party to determine the way in which people will save for their retirement—that is, by having designated industry funds as the only option rather than allowing employees to choose for themselves where they want their retirement incomes savings to be achieved.

Senator Watson interjecting—

Senator CHAPMAN—Senator Watson just reminded me that the ongoing management charge disclosure requires there to be exit and entry fees in its calculations. So the fees that the Labor Party are talking about with regard to the disallowance of the regulations are actually included in the calculation of the ongoing management charge. In relation to disallowing those regulations, the Labor Party do not have a foot to stand on. As I said, it is this paternalistic approach of the Labor Party that government senators simply cannot accept—that some third party...
should determine where an individual’s retirement savings should be invested rather than the individual having the right to choose. This is simply an attempt to divert attention from the worthwhile initiatives which this government has taken to make superannuation more attractive, to provide more encouragement for people to save for their retirement and thereby lessen the burden on the taxpayer and, indeed, to enhance the retirement incomes of people.

It is worth noting that tax concessions provided for superannuation make up the single largest tax expenditure item in the Commonwealth government’s budget—that is, the revenue forgone by the tax concessions provided for superannuation contributions now amounts to some $9.5 billion. That is just one element of the support this government is giving. As I said, we have re-introduced the legislation for choice to provide better opportunities for employees to determine where their retirement savings are going to be held. (Time expired)

Senator WONG (South Australia) (3.25 p.m.)—I also wish to take note of answers provided by Senator Coonan in question time today. I want to particularly focus on the issue of choice, which Senator Chapman has been discussing. In putting the government’s position on choice of funds, it is interesting to note that Senator Coonan avoids a number of significant public policy flaws in the government’s position and in the proposed legislation and simply chooses to try to distract attention from these by bleating on about unions: the criticisms of the funds being dominated by unions and the Labor Party being dominated by unions and doing the bidding of our union masters. This is nothing more than a distraction from the significant flaws in the choice of fund legislation which she is proposing to the Senate.

What is the government’s agenda on choice of fund? We have had quite a number of employer groups and industry groups—I will go through them shortly, if I have time—expressing significant concern about the government’s model of choice of fund. When looking at the government’s policy and when looking at all the legitimate criticisms raised by not only consumer groups but also industry groups and employers, not to mention the costings of the proposal which have been provided by Treasury, one would really have to ask: why are they proceeding with this? The answer can probably be found in Mr David Tollner’s recent speech to the Northern Territory Industrial Relations Society. Mr Tollner is the member for Solomon. Mr Tollner describes a conversation he had arising at a backbench briefing of the government’s members of parliament. He said:

The other day I was at a backbench briefing. The subject matter was superannuation, an area in which I have some experience and I was paying attention—good for him—

It was suggested that freedom of choice in superannuation funds to be offered to employees through new legislation was in part a union busting exercise. I said, ‘How does that work?’ I got referred up the line to a senior parliamentary colleague who maintains a strong anti-union stance—surprise, surprise—He said he could not tell me how it worked. The moral of the story is that sometimes the cause takes precedence over reason.

For once I actually agree with Mr Tollner. Surprise, surprise—cause has taken precedence over reason. The only party with an ideological agenda around the issue of choice in superannuation funds are those opposite. You have an ideological commitment to choice of fund, despite whatever problems there might be with the model you are proposing.

Senator Hill interjecting—

Senator WONG—What you are seeking to do you think is a union busting exercise. You forget a number of key factors. The first is that trustees in these industry funds have equal numbers of employers and employees. You forget, for example, the additional costs which would arise out of your
That is $27 million more in admin costs and $18 million a year for three years after that. These are your own department’s figures. That is the nature of choice: additional fees for employers. If you are supposed to be the party that represents employers, one would think that you would actually listen to the additional costs which your model will impose upon employers. The Australian Chamber of Commerce and Industry actually say that those costs—$81 million—appear to be underestimated. So the actual cost of your model is likely to be more. Then you go on about choice of fund and say, ‘We trust workers.’ I can tell you this: your position in this area is consistent with your position on corporate governance—you are looking to the big end of town.

Senator Hill—Your position is that you know better than the people. That’s why you won’t give people the choice.

Senator WONG—It is really significant that the Australian Bankers Association and IFSA are among the few people who have actually indicated that your model is a good idea. Mercer Investments, the Australian Industry Group and the Australian Chamber of Commerce and Industry have all raised concerns with the model proposed by the government. Apart from the additional costs and fees, which I have outlined, you also have to look at the additional cost which may result from the inability of industry funds if choice of fund comes in in the way that you have proposed. (Time expired)

Senator Mackay—Mr Deputy President, I raise a point of order. I would just like to draw to the attention of those listening that the Leader of the Government in the Senate, Senator Hill, interjected throughout that entire contribution. I think it was very rude and I would ask that in future this be taken into account in terms of the chairing.

Senator Hill—I was in the wrong; I apologise. Just because I believe, unlike the Labor Party, that people should be given a choice, I could not resist the temptation to object.

The DEPUTY PRESIDENT—Senator Hill, this is not a debating point. There is no point of order.

Question agreed to.

Defence: Use of Facilities

Senator GREIG (Western Australia) (3.31 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Defence (Senator Hill) to a question without notice asked by Senator Greig today relating to the use of Australian naval facilities in Fremantle, Western Australia, by the United States of America.

Firstly, Senator Hill made the point during his answer to my question that he was not familiar with the quotation I used, so I can refer him to the Centralian Advocate—

Senator Hill—What?

Senator GREIG—the Centralian Advocate—of 16 August 2002, in which he was quoted as saying:

I can’t specify the details, but Pine Gap is a major intelligence facility, which would be used in the event of military action against Iraq.

Of course, if you have been misquoted it would be open to you to respond to that. It struck me with interest that when I asked the question there were not so much howls of derision but some mutterings of derision that perhaps anybody would dare to ask such a question. But I think it is entirely appropriate that we do ask the question as to what our involvement and association with the US is and what that might involve and what its consequences are in terms of our support for facilities which it owns outright or to which we offer our services.

I should acknowledge from the outset that, having grown up and having spent the best part of my childhood and adolescence in the small fishing town of Lancelin, I am more than familiar with the US involvement there, particularly with the live ship-to-shore bombing, which has taken place for the best part of 20 years in that area. That bombing has been known to create the occasional bushfire and shatter windows in the town. Worse still, so far as the locals were concerned—certainly when I was involved in this issue in the early 1980s—the ships themselves, whether they were firing directly
or the aircraft carriers were being used to bomb the land, were doing extraordinary damage to the crayfishing industry by churning up the ropes and floats of the pots.

To try and ameliorate this situation, it was often the case that the US captains on those ships would land Chinook helicopters on the local primary school oval and invite locals—I was once one of them—to have a tour of the ship and be schmoozed, as it were, by the US military and have lunch and whatnot as a kind of appeasement for the extraordinary damage they were doing. That illustrated to me one thing very clearly and that was that, while there was considerable local and community support for the US as an ally, there had to be an element of fairness about it.

It was often discussed privately, and sometimes publicly, that one of the key reasons that the US was involving itself in live ship-to-shore bombing in the bombing range at Lancelin—which, I hasten to add, is only 10 kilometres or so from the town site—was that there was no way in the world that the US would do that on their own soil. They were using Australia to do it because we were allowing it to happen. This politic is very important to the people of Australia and particularly to people of Western Australia. The fact is that the issue of particularly nuclear and other warships in around Western Australia and Fremantle itself gave rise to a very strong antinuclear and peace movement within that region and saw the election in the early 1980s of a senator dedicated specifically to that cause. That issue is still ongoing in Western Australia.

I think Australians generally are very concerned about the secretive and unique role that Pine Gap plays for the US on Australian soil—not so much in the sense that we are antagonistic or uncooperative with our allies but in the sense that that is not returned, that Pine Gap very much operates in incredible secrecy. While we extend every courtesy to that facility and to those people using it, I understand that that centre is completely closed in terms of investigation, discussion or dialogue from Australian citizens.

The minister said that one of the benefits of ships coming to Fremantle would be commerce. That in itself is no good reason to support the port swapping exercise that is being proposed, because that is a shift from R&R visits to an upgrading which would then involve crew changes and repairs, which is quite another matter. The extent to which we express our support for the US and the facilities which we extend to them is a valid question, and the consequences of doing that in the context of potential war in the Middle East is a valid question. That is why we Democrats have raised it today, and that is why the minister’s answer was inadequate.
man embryos for the purpose of extracting embryonic stem cells.

Your petitioners therefore pray that the House will:

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

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

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

by Senator Calvert (from 10 citizens)

by Senator Forshaw (from 392 citizens).

**General Agreement on Trade in Services**

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

The Petition of the undersigned shows our concern that:

(a) all “requests” under the General Agreement on Trade in Services (GATS) must be lodged by 30 June 2002;

(b) formal offers must be concluded by March 2003;

(c) the Australian Government has so far not revealed what it proposes to put on the table at GATS;

(d) our democracy and the future of our public services are under threat from other countries which are pressuring Australia to open up telecommunications, postal services, water supply, health and education services, banking and the professions to foreign corporations, and to accelerate privatisation of services which should be publicly monitored and accountable and which may deteriorate when left to private interests seeking first profit and near monopoly rather than reliable and equitable social and environmental interests.

Your petitioners respectfully ask that the Senate urgently request the Australian Government to publicly release all demands and concessions it proposes to make to other countries for opening up trade in services as part of negotiations on a new General Agreement on Trade in Services (GATS).

by Senator Cherry (from 29 citizens).

Petitions received.

**NOTICES**

**Presentation**

Senator Stott Despoja to move on the next day of sitting:

That the Senate—

(a) notes that:

(i) the second Commonwealth leaders’ troika on Zimbabwe will meet in Nigeria on 23 September 2002,

(ii) there has been a worsening of conditions for millions of Zimbabweans since the troika first met 6 months ago to discuss steps to restore democracy in Zimbabwe, and

(iii) the Prime Minister (Mr Howard), as Chairman of the Commonwealth leaders’ troika on Zimbabwe, has acknowledged it is a matter for regret that little substantive progress has been made in implementing the troika’s steps to restore democracy in Zimbabwe; and

(b) urges the Prime Minister, as Chairman of the Commonwealth leaders’ troika, to use his influence to expel Zimbabwe from the Commonwealth and impose targeted sanctions on Zimbabwe, including an arms embargo, a travel ban to any Commonwealth countries for President Mugabe and his close associates, and a freeze on any assets he or his associates hold in Commonwealth countries.

Senator Greig to move on the next day of sitting:

That the Senate—

(a) notes that the Western Australian Acts Amendment (Lesbian and Gay Law Reform) Act 2002 is expected to be proclaimed on Friday, 20 September 2002, providing comprehensive law reform for gay and lesbian people in that state in a range of areas, including anti-discrimination protections, equal age of consent, parenting rights and responsibilities, and partnership recognition;

(b) congratulates the Parliament and people of Western Australia for advancing the human rights of its citizen;

(c) notes that similar legislation now exists, to varying degrees, in most states and territories;
(d) recognises that sexuality anti-discrimination laws and same-sex partnership recognition does not exist in any adequate or comprehensive way in Australia’s federal jurisdiction, and that redressing this will require Commonwealth legislation; and
(e) calls on the Government to initiate or support the passage of necessary legislation to end sexuality discrimination in Commonwealth law.

Senator Allison to move on the next day of sitting:
That the Senate—
(a) notes:
(i) the efforts by Philip Morris Ltd to sponsor so-called drug education programs in Asia and, most recently, in the Lao People’s Democratic Republic (Lao PDR),
(ii) previous moves in Australia by Philip Morris to sponsor school-based programs, such as the ‘I’ve got the power’ program, received such strong criticism from health and educational professionals that most school education authorities rejected or abandoned the programs,
(iii) the cynicism of the major tobacco companies in sponsoring education ‘events’, when around 370 million cigarettes are illegally sold to children in Australia each year; and
(b) urges the Federal Government to:
(i) advise the Lao PDR that tobacco companies in Australia have consistently opposed genuine measures to reduce youth smoking rates and that their offers to sponsor education activities should not be countenanced, and
(ii) assist countries in the region by supporting a strong framework convention for tobacco control to reduce the global tobacco epidemic and to help reduce the estimated 40 000 to 50 000 Asian teenagers taking up smoking every day.

Senator Mackay to move on the next day of sitting:
That the Senate—
(a) condemns the Howard Government for establishing an inquiry into regional telecommunications services, the Êstens inquiry, which is chaired by a member of the National Party and friend of the Deputy Prime Minister, and has a former National Party MP as one of its members;
(b) condemns the Government’s decisions that the inquiry will hold no public hearings and must report within little more than 2 months of its commencement; and
(c) calls on the Government to address all issues associated with Telstra’s performance, including rising prices, deteriorating service standards and inadequate broadband provision.

Senator Watson to move on the next day of sitting:
That the time for the presentation of the report of the Select Committee on Superannuation on the provisions of the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2002 be extended to 16 October 2002.

Senator Payne to move on the next day of sitting:
That the time for the presentation of the report of the Legal and Constitutional Legislation Committee on statutory powers and functions of the Australian Law Reform Commission be extended to 24 October 2002.

Senator Brown to move on the next day of sitting:

Senator Brown to move on the next day of sitting:
That the Senate calls on the Government of China to immediately remove the block on the Australian Broadcasting Corporation’s website in China.

COMMITTEES
Selection of Bills Committee
Report
Senator FERRIS (South Australia) (3.37 p.m.)—I present the eighth report of 2002 of the Selection of Bills Committee.
Ordered that the report be adopted.
Senator FERRIS—I seek leave to have the report incorporated in Hansard.
Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE
REPORT NO. 8 OF 2002

1. The committee met on Tuesday, 17 September 2002.

2. The committee resolved to recommend—

(a) the following bill be referred immediately to a committee as follows:

<table>
<thead>
<tr>
<th>Bill title</th>
<th>Legislation Committee</th>
<th>Reporting date</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Business Tax System (Consolidation, Value Shifting, Demergers and Other Measures) Bill 2002 (see appendix 1 for statement of reasons for referral)</td>
<td>Economics</td>
<td>22 October 2002</td>
</tr>
</tbody>
</table>

(b) the provisions of the following bills be referred immediately to committees as follows:

<table>
<thead>
<tr>
<th>Bill title</th>
<th>Legislation Committee</th>
<th>Reporting date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excise Tariff Amendment Bill (No. 1) 2002 (see appendix 2 for statement of reasons for referral)</td>
<td>Economics</td>
<td>15 October 2002</td>
</tr>
<tr>
<td>Customs Tariff Amendment Bill (No. 2) 2002 (see appendix 2 for statement of reasons for referral)</td>
<td>Rural and Regional Affairs and Transport</td>
<td>22 October 2002</td>
</tr>
</tbody>
</table>

(c) the order of the Senate of 19 June 2002 adopting the Committee’s 4th report of 2002 be varied to provide that the provisions of the Agriculture, Fisheries and Forestry Legislation Amendment Bill (No. 1) 2002 be referred immediately to the Rural and Regional Affairs and Transport Legislation Committee for inquiry and report by 24 October 2002 (see appendix 4 for statement of reasons for referral).

(d) the following bills not be referred to committees:

- Australian Capital Territory Legislation Amendment Bill 2002
- Dairy Industry Legislation Amendment Bill 2002
- Education Services for Overseas Students Amendment Bill 2002
- Environment and Heritage Legislation Amendment Bill (No. 1) 2002
- Australian Heritage Council Bill 2002
- Australian Heritage Council (Consequential and Transitional Provisions) Bill 2002
- Health Care (Appropriation) Amendment Bill 2002
- Health Insurance Amendment (Professional Services Review and Other Matters) Bill 2002
- Therapeutic Goods Amendment Bill (No. 2) 2002.

The committee recommends accordingly.

3. The committee deferred consideration of the following bills to the next meeting:

- Bill deferred from meeting of 19 March 2002
- Aviation Legislation Amendment Bill 2002.
- Bill deferred from meeting of 14 May 2002
- Bill deferred from meeting of 18 June 2002
- Australian Broadcasting Corporation (Scrutiny of Board Appointments) Amendment Bill 2002.
- Bills deferred from meeting of 20 August 2002
- Financial Sector Legislation Amendment Bill (No. 2) 2002.
- Medical Indemnity Agreement (Financial Assistance—Binding Commonwealth Obligations) Bill 2002
- Occupational Health and Safety (Commonwealth Employment) Amendment (Employee Involvement and Compliance) Bill 2002
Wednesday, 18 September 2002

• Workplace Relations Legislation Amendment Bill 2002.
  Bill deferred from meeting of 27 August 2002
• Trade Practices Amendment (Liability for Recreational Services) Bill 2002.

(Jeannie Ferris)
Chair
18 September 2002

Appendix 1
Proposal to refer a bill to a committee
Name of bill(s):
New Business Tax System (Consolidation, Value Shifting, Demergers and Other Measures) Bill 2002
Reasons for referral/principal issues for consideration
To explore the detail of the operation, revenue costs and compliance costs of the major measures in the bill.
Possible submissions or evidence from:
Treasury, ATO, COSBOA, ACCI, CPA, ICA, National Institute of Accountants, BCA, Tax Institute of Australia, Corporate Taxpayers Association
Committee to which bill is referred:
Economics Legislation Committee
Possible hearing date(s):
In the week of 14-17 October 2002
Possible reporting date(s):
As soon as practicable
(signed)
Sue Mackay
Whip/Selection of Bills Committee member

Appendix 2
Proposal to refer a bill to a committee
Name of Bill:
Excise Tariff Amendment Bill (No.1) 2002 Customs Tariff Amendment Bill (No.2) 2002
Reasons for referral/principal issues for consideration:
These bills implement lower excise (and customs) duty rates for low alcohol beer, as agreed between the Commonwealth and State Governments. The lower rates effectively replace the States’ low alcohol beer subsidies, which will be abolished. Health policy favours the continued price subsidisation of low alcohol beer and other low alcohol products and the health issues and taxation anomalies surrounding low alcohol wine, low alcohol beer and competing low alcohol RTDs needs to be reviewed.
Possible submission or evidence from:
Beer industry groups
Spirits industry groups wine industry groups
Other alcohol-type industry groups
Health bodies and specialists in alcohol health matters Treasury
Federal and State departments of Health
Committee to which bill is to be referred: Economics Legislation Committee for both bills, or as determined by the Selection of Bills Committee
Possible hearing date(s):
Possible reporting date: As soon as practicable
Lyn Allison
Whip/Selection of Bills Committee member

Appendix 3
Proposal to refer a bill to a committee
Name of Bill:
Egg Industry Service Provision Bill 2002
Reasons for referral/principal issues for consideration:
The potential impacts on the improvement and enforcement of animal welfare; the impacts on public accountability and transparency of the activities of the egg industry as a result of the planned move to establish the Australian Egg Corporation Ltd; whether opportunities for Parliamentary and public scrutiny of the administration and use of industry levies will be enhanced by the proposed changes.
Possible submission or evidence from:
RSPCA
Egg Industry Association of Australia Animals Australia
Free Range Egg & Poultry Association
Committee to which bill is to be referred: Rural and Regional Affairs Legislation Committee
Possible hearing date(s):
Possible reporting date: 22 October 2002
Lyn Allison
Whip/Selection of Bills Committee member
Appendix 4
Proposal to refer a bill to a committee
Name of bill(s):
Agriculture, Fisheries and Forestry Legislation Amendment Bill (No. 1) 2002
Reasons for referral/principal issues for consideration
The operation of the border control arrangements with expanded contract pool arrangements proposed in the bill.
The effectiveness of changed arrangements for labelling and monitoring imported food proposed in the bill.
Possible submissions or evidence from:
AQIS, AFFA, unions representing employees employed to provide quarantine services and food importers.
Committee to which bill is referred:
Rural and Regional Affairs and Transport Legislation Committee
Possible hearing date:
TBA
Possible reporting date(s):
24 October 2002
(signed)
Sue Mackay
Whip/Selection of Bills Committee member

NOTICES
Postponement
Items of business were postponed as follows:
Business of the Senate notice of motion No. 1 standing in the name of Senator Bartlett for today, relating to the reference of a matter to the Foreign Affairs, Defence and Trade References Committee, postponed till 19 September 2002.
General business notice of motion No. 160 standing in the name of the Chair of the Rural and Regional Affairs and Transport References Committee (Senator Ridgeway) for today, relating to an extension of time for the committee to report, postponed till 25 September 2002.

NATIONAL REVIEW OF NURSING EDUCATION

Senator GREIG (Western Australia) (3.38 p.m.)—At the request of Senator Stott Despoja, I move:
That the Senate—

(a) notes:
(i) the release of the National Review of Nursing Education 2002 report, Our Duty of Care, chaired by Patricia Heath,
(ii) a finding of the report that more than 22 000 nurses will leave the workforce over the next 5 years and that, in the period 2001 to 2006, there will be 31 000 nursing vacancies, with almost three-quarters of the vacancies created by nurses leaving the profession,
(iii) a finding of the report that there needs to be a major investment in retention of the existing workforce, recruitment of nurses not currently employed in nursing and recruitment from overseas,
(iv) a finding of the report that the most crucial factor in ensuring an adequate supply of nurses for the future will be to retain as many of those nurses currently employed as possible, particularly those in the earlier years of their careers, and
(v) the recommendation that nursing is portrayed as a profession in government and employer information, and that all levels of government and other employers of nurses should:
(A) review their recruitment and promotion activities to ensure they reflect the professional status of nursing and the valuable social contribution made by nursing through its diverse roles and practice, and
(B) review their classification of ‘nursing’ to ensure it is consistent with the Australian Standard Classification of Occupations classification, in order to reflect the professional status of nursing; and
(b) calls on the Government to substantially re-invest in education, especially in Australia’s public higher education institutions, to ensure extra funded places are made available for nursing education, including in postgraduate research training, as part of a comprehensive strategy to address the national shortage of nurses.

Question agreed to.
COMMITTEES
Economics References Committee
Extension of Time

Senator MACKAY (Tasmania) (3.39 p.m.)—At the request of Senator Collins, I move:

That the time for the presentation of the report of the Economics References Committee on public liability and professional indemnity insurance be extended to 22 October 2002.

Question agreed to.

HUMAN RIGHTS: CHINA

Senator HARRADINE (Tasmania) (3.39 p.m.)—I move:

That the Senate—

(a) having in the past condemned gross violations of human rights presided over by then Chinese Premier Li Peng, including the brutal massacre of thousands of unarmed pro-democracy student demonstrators in Tiananmen Square; and

(b) as a democratically-elected House of Parliament with the special role of the protection of the rights and liberties of citizens,

declares that it would be entirely inappropriate for the executive government to influence the Presiding Officers to fete, by a special function, the perpetrator of these gross violations of human rights.

Question put.

The Senate divided. [3.45 p.m.]

(The President—Senator the Hon. Paul Calvert)

Ayes............. 12
Noes............. 41
Majority........ 29

AYES

Question negatived.

MATTERS OF URGENCY
Agriculture: Sugar Industry

The DEPUTY PRESIDENT—I inform the Senate that the President has received the following letter, dated 18 September, from Senator O’Brien:

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:

The failure of the Howard Government to provide appropriate and timely assistance to the Australian sugar industry, in particular:

(a) its failure to meet the immediate needs of 7,000 sugar farm families and farm businesses in the current industry crisis; and

(b) its consistent failure to provide a policy framework to allow the industry to build a sustainable and productive future.

Yours sincerely
Kerry O’Brien

Is the proposal supported?

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

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

Senator O'BRIEN (Tasmania) (3.50 p.m.)—I move:

That, in the opinion of the Senate, the following is a matter of urgency:

The failure of the Howard Government to provide appropriate and timely assistance to the Australian sugar industry, in particular:

(a) its failure to meet the immediate needs of 7,000 sugar farm families and farm businesses in the current industry crisis; and

(b) its consistent failure to provide a policy framework to allow the industry to build a sustainable and productive future.

This issue is indeed urgent. The Australian sugar industry has been under significant pressure for a number of years. It has faced cyclones, floods and now, in places, severe drought. It has battled in the international marketplace against competitors who enjoy financial protection from their governments, low-cost structures, liberal environmental controls and competitive exchange rates. But since 1996 this industry has faced an even greater obstacle: three National Party ministers for the agriculture portfolio.

It was disingenuous for the Prime Minister to criticise this industry during his recent trip to Cairns. He attacked industry members for failing to undertake structural reform at the same time as he was sliding in and out of Liberal Party fundraisers. As a recent visitor to Queensland, I can advise the Prime Minister that his efforts to avoid contact with growers did not go unnoticed. The responsibility for setting policy parameters to drive change in this industry has been vested in three ministers since 1996: John Anderson, Mark Vaile and Warren Truss. All three ministers have been responsible for the government’s sugar policy and all three have failed to give the industry anything near the degree of certainty that it needs to prosper, and the industry is paying the price today. The Prime Minister continued his criticism in question time on 21 August. He told the other place that he was disappointed by the degree of structural change that had occurred following the 2000 rescue package.

I want to go to the details of the 2000 package and the role of the Minister for Agriculture, Fisheries and Forestry, Mr Truss, in its development and implementation. But first I want to consider the action this government has taken since it assumed office in 1996. In May 1996, just a few months after the election, the then Minister for Primary Industries and Energy, Mr Anderson, told sugar growers they were doing extremely well. In fact, the government thought the industry was doing so well that, in its very first budget, it killed off Labor’s ethanol bounty scheme. In the following year, in response to the report of the sugar industry review working group, the Howard government announced that it would abolish the sugar tariff. This decision was in breach of a clear and unambiguous commitment by the National Party to keep the sugar tariff, and it was removed despite the fact that Australia was well within the parameters of its WTO tariff commitments. The Prime Minister told the parliament that the removal of the tariff would give the industry hope of winning strong export markets. But Mr Anderson, in the patronising style National Party ministers reserve for their own constituency, told cane growers worried about the future:

... having put your hand to the plough, let’s get on with the job.

We can only wish Mr Anderson’s hand spent more time on the plough and less time bowing to each and every demand made of him by his more senior—and more capable—Liberal Party colleagues. If he had done that, country Australians would not be paying GST on their telephone calls, and the future of Telstra would be a lot more secure. I never thought that Mr Anderson would lead the National Party and, in the context of sugar policy and protection of regional interests, I was right.

In April 1998, the then Queensland opposition leader, Mr Peter Beattie, expressed concern that the acquisition powers of the Queensland Sugar Corporation might be in contravention of the Trade Practices Act. Mr Anderson attacked the soon-to-be Premier saying he was wrong. But within weeks Mr Anderson announced that he would amend the Trade Practices Act to fix a problem he
said did not exist. This was another example of a National Party minister claiming to know everything but actually knowing nothing at all.

I am fortunate to be in possession of a briefing note prepared by the Queensland Department of Primary Industries for the then Queensland Minister for Primary Industries. It so happens that this minister was, like Mr Anderson, a member of the National Party. The note says that, at a meeting to discuss the sugar vesting issue, ‘it was clear the Commonwealth minister’—and he means Mr Anderson—‘had only limited awareness of the issues for the Queensland Sugar Corporation’. So, in a very polite way, the Queensland bureaucracy told its minister that Mr Anderson had no idea of what he was talking about—and that is something most of us have known for some time, I must say.

In July 1998 Mr Anderson announced his centrepiece sugar package. A belated response to the National Party’s tariff betrayal, the package was announced in a media release under the headline ‘Anderson shows way ahead for the sugar industry’. If we put to one side the shameless arrogance of the minister, it is worth reflecting for a moment on the glorious future Mr Anderson delivered. The 1998 package included funds for research and development, New South Wales sugar infrastructure and the development of a national export plan. It is instructive that, in the weeks before the package was announced, a Senate estimates committee was told that an allocation to the New South Wales industry was delayed by over six months because Mr Anderson had failed to act on a backbench committee report, a report that sat on his desk for more than seven months. Additionally, the committee was told that, despite a sugar industry appropriation of $6.65 million in 1997-98, only $2.79 million would be spent. The failure to expend this funding highlights Mr Anderson’s ‘talent’ in portfolio management but also highlights this government’s propensity to make sugar announcements but to forget about the hard work that follows.

A good example, I might say, is the planned expenditure of $1 million on port facilities at Yamba in New South Wales. Two estimates hearings in 1999 were told that the agreement to expend the money lapsed before it could be spent. Another $1 million to improve New South Wales’ export focus was spent on the Port of Brisbane—and I will get coalition senators a map if they are confused about the point I am making, but it is pretty clear that New South Wales funding is generally best spent within New South Wales.

Senator Boswell—Not if the sugar gets exported. You are no more than a big fat clown!

Senator O’BRIEN—Oh, here we go.

The DEPUTY PRESIDENT—Order! Senator Boswell.

Senator O’BRIEN—I am pleased that an expert on those sorts of points would point at me. The fact of the matter is that he has lost his—

Senator Boswell—that is where the sugar goes out.

The DEPUTY PRESIDENT—Senator Boswell, you are on the speakers list; you will have your opportunity.

Senator O’BRIEN—I can see, Mr Deputy President, that the truth hurts the National Party. As I said before, two estimates hearings in 1999 were told that the agreement to expend the money lapsed before it could be spent. A key focus of the government’s recent criticism of the sugar industry is its failure to restructure. A glance at the government’s recent criticism of the sugar industry is its failure to restructure. A glance at the 1998 Anderson package reveals one reason no major industry restructure has occurred: none was demanded. No aspect of this package—nor the one that followed in 2000—required actual structural adjustment. Now, of course, the industry shares some responsibility for this, but the least the government could do is to spare us the Prime Minister’s humbug.

Before we look at the next instalment in the government’s odyssey of incompetence, it is instructive to look at the AFFA portfolio budget statement for 1999-2000. This PBS lays down some performance benchmarks against which sugar industry programs can be measured. In a May 2000 estimates committee hearing, I asked departmental officers for the baseline data against which the per-
performance of these programs could be measured. I was told:

At the initial stages we did not have a set of data which was basically set out as baseline data.

When I asked how the industry had improved with the assistance of the Anderson package, and more particularly how this could be measured, I was told that was ‘an interesting question’. An interesting question indeed, but it was clearly not important enough for the government to pay any attention to it.

The next package, the second in the Howard government’s sugar odyssey, was announced by Mr Truss on 1 September 2000. The government said the package would make the industry ‘stronger and more prosperous’. Described at the time as an $83 million package, the true expenditure was nowhere near that amount. The key item for comment is the absence of any condition in this package that addressed the structure of the industry. In fact, the only condition was a demand that industry leaders develop a plan for presentation to government by June 2002. It just so happens that the industry did just that. So please spare us the mock outrage of the Prime Minister and his colleagues, including Senator Minchin and, I am disappointed to say, Senator Ian Macdonald, in recent days.

On 15 February this year, Mr Truss announced that Clive Hildebrand, chair of the Sugar Research and Development Corporation, would undertake an independent assessment of the sugar industry. Mr Truss gave him just 16 weeks to do his work and said he had to consult widely; identify future economic, social and environmental drivers; identify how the industry might better plan for its future; examine the roles of the Commonwealth and the states; and provide a comprehensive report on the current state of the industry. That was a significant task and almost an impossible one in the given time frame. Mr Hildebrand should have been asked to commence his work in September 2000, when the previous package was announced, not asked to do the impossible just as the latest industry crisis hit.

Last week, the government announced its third package. The Senate will be interested to know what guidelines govern this package and its predecessors. I have joined Senator McLucas in seeking to discover more about that matter at estimates hearings over the past year. You would know, Mr Acting Deputy President, what answer we got from the department:

There is no document per se, although there is probably something on someone’s computer somewhere that helps them out.

That is right—there are no guidelines governing the overall expenditure of hundreds of millions of dollars in structural adjustment funding, just ‘something on someone’s computer’. What an extraordinary state of affairs. That is why we should not hope for too much from the latest package. It is difficult to know what the government wants it to achieve, because it has not yet worked that out for itself.

As usual, the latest sugar package was accompanied by grandiose claims about the National Party’s concern for its constituents. As usual, the government seeks praise but denies responsibility for its past failings. What is different about this package is the extraordinary lack of detail that accompanied its announcement. Late last Tuesday afternoon, Mr Truss scurried out of the ministerial entrance and announced what he described as a $150 million package. Its centrepiece is a sugar levy—a tax to be applied at the retail or manufacturing level and possibly both. We know it includes some household and business assistance in exchange for as yet unidentified changes in the domestic single desk. The government says it will seek structural reform but has not spelt out its demands. That is it: no levy rate, no details on where it will be applied, where it will apply or how long it will stay, no firm details of assistance to farm families or businesses and no advice on when the assistance will be delivered. There is nothing, just Monday’s Dorothy Dixer in the other place, where the minister battled to be heard amidst the uninterested mutterings of his own side.

In August, Labor called on the government to release its response to the Hildebrand report. In particular, we called on the government to announce a program of urgent immediate assistance for sugar farm families.
If government senators want more advice from me on how to provide immediate support for farm families and appropriate business support, they should not hesitate to ask me. The only new information released by the government in the past week was some details of a sweetheart deal for an ethanol producer that has form as a major donor to the Liberal Party. That is a deal that appears to provide no short- or long-term benefit for Australia’s sugar farmers.

This final package—I will call it Truss mark 2—is the latest episode in the coalition’s embarrassing performance on sugar. From 1996 to 2002, its policy in relation to this key industry has been a shambles of the first order with one consistent characteristic: it has the words ‘National Party’ stamped all over it. Australia’s sugar growers, their families, cane harvesters, bin haul-out drivers, rail drivers, mill workers and maintenance workers deserve more than this government has delivered. It might be thought that some of the government’s neglect has been driven by the strong union credentials of many sugar mill workers. But the fact is that they have shafted the whole industry in unison. What is more galling for many sugar communities is that the government’s bitter pill has been coated in false concern for the future of the industry. Talk is cheap and, in the case of National Party MPs and ministers, you cannot get cheaper. This government stands condemned for its failure to provide timely assistance in the current crisis.

Perhaps more significantly for the industry’s long-term future and Australia’s economic wellbeing, the government stands condemned—(Time expired)

Senator IAN MACDONALD (Queensland—Minister for Forestry and Conservation) (4.05 p.m.)—The sugar industry and its current status is a very important matter. I was pleased that Senator O’Brien raised this matter for an urgency motion discussion. I came down to enter into this debate to hear what the Labor Party might have for the sugar industry, to hear something about their vision and their plan. Perhaps it was asking too much to think that they might have an idea that the government could pick up and work with. This is an industry that is too important to play politics with. The motion before us dealt with a couple of issues, but Senator O’Brien did not address the motion at all in his speech. I have some regard for Senator O’Brien; he is the best primary industries spokesman they have had for a while.

Senator Boswell—Not after today.

Senator IAN MACDONALD—He is mainly because he has got a good adviser in Jack Lake, but I am a bit disappointed in Jack, too, that he would write a speech for Senator O’Brien like the one Senator O’Brien gave today. Senator O’Brien’s was an old-fashioned and fairly inept attempt to divide the Liberals and the Nationals. Quite honestly, Senator O’Brien, that passed away years ago. It is not an issue these days. In fact, I have even suggested that there should be a joining together of both parties in Queensland. So keep up with the times, Senator O’Brien—it is no longer an issue, believe me. Time has moved on.

Senator O’Brien’s contribution today was really an unwarranted, and unbefitting, quite personal attack on several ministers in the Howard government. You can criticise the Howard government or the collective responsibility, but to get into it in a personal way, Senator O’Brien—I do not know what it is with you in relation to Mr Anderson and Mr Truss, but it does come through in a lot of the things you say—does not become you. You are better than that, if I may say so without being condescending. Mr Anderson did a good job in the past and Mr Truss does a good job now in a very difficult portfolio. Senator O’Brien, the Howard government makes whole-of-government decisions. It is not one minister who makes the decision; the whole of government does it. All ministers contribute to it. The personal attacks, as I said, are unwarranted and do not become you. I would have expected better from someone who I know, generally speaking, does have the interests of primary producers at heart. It is great to see that from Labor because all too few of them have any interest in country matters, apart from changing the name of a section of their party to pretend that they have a country interest.
Senator O’Brien, the sugar industry is difficult to understand. I practised law in it for many years, and it is not easy. You have to do more than breeze through North Queensland for a couple of days in winter, when it is very pleasant—a bit more pleasant than it is down in Hobart, where you come from, Senator O’Brien—and come out as being a sort of five-second expert on the sugar industry. You really have to talk to people seriously. Again, you do the industry a disservice in that you do not understand that there is a group of industry leaders for every district in Queensland who understand that they are in difficulties, that things cannot continue the way they have and that something has to be done. I thought, Senator O’Brien, in this debate which you initiated, that you would be revealing Labor’s blueprint, Labor’s plan, on how you were going to pay for whatever you thought should happen in the industry. I am afraid I was sadly disappointed, because I thought here was a time when Labor might— as I know you can do, Senator O’Brien—but we heard nothing of that.

You tried to bring in the union-bashing thing. We do not do that. In the sugar industry a lot of workers at the mills—and in my town many of them are very good friends of mine; they are people I have worked, played and been involved with for years—are genuine hardworking people. They are represented by the union group of the father—Big Bill—of your colleague Senator Ludwig. They are a fairly moderate group, aren’t they, Ron?

Senator Boswell—They are.

Senator IAN MACDONALD—They do not do a bad job. They understand, like everybody else, that the workers, the harvesters, the mill owners and the cane farmers have all got to work together in this industry, and they are doing it. The time for talking about union bashing or the sorts of things that you are talking about is far gone.

Senator O’Brien, you have heard what the package is. I have spoken about it in a couple of question times. I know that Senator Boswell will highlight some of the things yet again. You said erroneously in your speech that the centrepiece of the package was a levy. That is not the centrepiece at all. The centrepiece is bread-on-the-table support for families who are having difficulties and a $60 million package of regional initiatives to help the industry adjust.

Senator George Campbell—How do you pay for it?

Senator IAN MACDONALD—You pay for it by a levy, but that is not the centrepiece. The centrepiece is helping the industry. If you ever get to government, Senator George Campbell—and I am sure you will not; and if you do you will not be a minister—it is okay to have good ideas and great thoughts on what you can do, but you have to pay for it. Your lot will remember when you just paid for everything on the tick. That is when we ran up a $100 billion debt, which has done more to destroy the sugar industry than anything else—any overseas market, any shipping problem or any disease. Your government’s action in having interest rates at anywhere between 17 per cent and 27 per cent absolutely crippled the sugar industry. Under us they have had a great run in a business sense, and they appreciate that.

Senator O’Brien, you spoke about this being the thing to help the National Party and their concerns for the sugar industry. That is not of relevance now. The members who represent sugar seats in Queensland are Mr Jull, Liberal; Mr Truss, National Party; Mr Neville from Bundaberg, National Party; Mr Somlyay from Nambour, Liberal; Mr Entsch from Cairns, Liberal; Mr Lindsay from Townsville, Liberal; me, Liberal; and De-Anne Kelly, Dawson electorate, National Party. We are all very concerned. Regrettably, there are no Labor people up there, apart from Senator McLucas, who has not shown a great understanding of the sugar industry to date. I will listen to her contribution in this very important debate later on. If I hear something useful from her, it will be the first time, with no disrespect to Senator McLucas.

Senator O’Brien, you also said that we can come and get advice from you. I have it on fairly good authority that no even the Queensland Labor Party government is accepting or seeking any advice from you. We have worked very closely with the government of the day in Queensland. It happens to
be a Labor government. The Minister for State Development is taking an interest in this. My old school friend Tom Barton—we went to the Anglican church group together as little fellows—has an interest. He knows the sugar industry. He worked his way up through the union movement, as everybody does on the other side. But they are actually making a worthwhile and sensible contribution. You have heard Mr Truss say that, and we will continue working with them.

Senator O’Brien, if you do have a good idea please tell us; do not wait. Do not be churlish and precious. Do not wait for us to ring you up and ask you. Why don’t you give the good idea to us? I came down to participate in this debate because I thought here was a motion from the Labor Party from which we might actually learn something. I admit we can always learn something new. But what did I hear? Old-fashioned political rhetoric about political issues that really finished a long time ago. The sugar industry is too important to play party politics with. I urge you and your colleagues to help constructively in this, as your colleagues are doing in Queensland. We want to see the industry go ahead and we believe it can, with this package and with the restructuring and readjustment. We know that needs to happen, I suspect you know it needs to happen and certainly the industry itself knows it needs to happen.

Senator BOSWELL (Queensland—Leader of the National Party of Australia in the Senate and Parliamentary Secretary to the Minister for Transport and Regional Services) (4.16 p.m.)—Mr Acting Deputy President, it takes a special sort of person to move a motion condemning the Howard government in the same week as they put out a $150 million package. It is either the height of stupidity or the height of ignorance—or both. The $150 million announced last week was on top of a $60 million package announced a couple of years ago. Senator O’Brien has said that that package had no effect; well, it was just about word perfect for what the industry wanted. The industry put the $60 million package up, and we supplied it almost word for word. There was a $13.45 million research package four years ago for research into upgrading the sugar content in the cane. Then, on top of that, there was a $32 million renewable energy package. Only on Sunday last week, the Prime Minister announced an ethanol package, putting a 32c a litre bounty on it. How, in the name of goodness, could you have the frank stupidity to move such a motion when the government has put something like $350 million into the sugar industry? That is an absolute nonsense.

Senator McLucas—Where is the detail?
Senator BOSWELL—Yes, the package of $150 million needed some more detail; I go along with that. We were so keen to get this package out—to show harmony with the sugar industry and that we were standing side by side with it—that we may have rushed it by a couple of days. We believed it was better to get the package out there to show the sugar industry that we supported it than to wait for the final detail. The detail will be there in the next couple of days. Then you go forward. If one party, one coalition, one government has ever stood shoulder to shoulder with the industry it is the coalition government. Whether National or Liberal it has stood with this industry like no other. We understand the corrupt world market, the world price situation and the subsidies that are given by the EC and the United States. We are standing by this industry because we believe in it. We believe the industry is in trouble not because of its own initiatives or that it is the industry’s fault but because circumstances overseas have worked against the industry and forced the price down to about 5½c a pound, well below the cost of production. We understand that, and we are not walking away from it. We are not walking away from the industry. But you perpetrated some blatant lies, Senator O’Brien—and I call them lies. You said that the Prime Minister avoided the sugar industry. That was a lie. The Prime Minister had the leaders of the sugar industry in to see him. I know that because I was in the area. I was in Cairns at the time. I was not at the meeting but I was there. He took the leaders of the sugar industry into a meeting and they spoke to him.
The ACTING DEPUTY PRESIDENT (Senator Sandy Macdonald)—Order! Senator Boswell, you should withdraw the comment that Senator O’Brien had perpetrated lies. I would ask you to withdraw those remarks.

Senator BOSWELL—I plead guilty to that. I withdraw those remarks and call them mistruths. The Prime Minister visited Cairns and received the leaders of the sugar industry. They came out and spoke to him.

Senator O’Brien—He was in Melbourne.

Senator BOSWELL—He was not in Melbourne; he was in Cairns. You know that, I know it and everyone in the sugar industry knows it. Let us go to another mistruth—about the Trade Practices Act. The Trade Practices Act had to be altered. The information we received from the Government Solicitor was that it was all right, but then the sugar industry informed us that it was not all right. It was I who took it to this parliament, and I got your spokesman to move it. The moment we knew that, we came down to Parliament House and to this chamber and interrupted the Telstra debate, as I recall—it may have been the native title debate—and we changed it. That was because the sugar industry asked the National Party and the government to change it—despite the information we were getting from the Government Solicitor. So that is another mistruth. Let us take the sugar tariffs, and let us put this on the record and be very frank about it. Mr Vaughan, Mr Verri from the Australian Cane Farmers Association and Harry Bonanno came down and called a meeting in Parliament House with every person who represented sugar and asked us to remove the tariffs.

Senator O’Brien—Oh, yeah.

Senator BOSWELL—Are you calling me a liar? Because if you want to step outside and do so it is going to cost you a lot of money. I was at the meeting. You are an obnoxious little person.

The ACTING DEPUTY PRESIDENT—Order! Senator Boswell, please direct your comments through the chair.

Senator BOSWELL—Mr Acting Deputy President, I was called a liar when I was actually at the meeting and I know what happened. It was the Hawke government that came in and removed the tariffs and it was Senator Boswell when in opposition who crossed the floor to hold the tariffs on for another three years. We have never, ever walked away from this industry. This motion, put up a week after we have put $350 million into the sugar industry, is the most absurd motion that I have ever come across. We understand and recognise that there is a great deal of hurt out there in the sugar industry, and we are responding to it as well as any government can. You cannot do it overnight. Not once, not twice but three times have there been packages to recognise the problems that the sugar industry goes through because it is in a corrupt world market.

Something like 5,247 growers accessed the last package. We have put up another package at the moment which includes an interest subsidy scheme so that people can go out and plant the crop. I have heard that they want a bit of a readjustment on that, and we will look at that. There is food on the table in the package. The centrepiece of the package is a $60 million program for regional adjustment and diversification. There is money there to buy farms out and to aggregate the farms so they can be profitable. How can anyone suggest that the coalition has not looked after this industry? It has looked after this industry better than most other industries. (Time expired)

Senator McLUCAS (Queensland) (4.24 p.m.)—I rise to support the urgency motion moved by Senator Kerry O’Brien, federal Labor’s spokesperson on primary industries. Senator O’Brien has clearly chronicled the failures of successive National Party ministers to develop and deliver any clear federal policies, strategies or assistance since the Howard government took office in 1996. There are good reasons for this. The reality is that the National Party no longer effectively represents regional and rural Australia. This has been particularly disappointing for the sugar industry, because the National Party does hold most of the federal seats in which sugar is an important driver of the local economy. We have Mrs Kelly in Dawson, Mr
Neville in Hinkler, Mr Anthony in Richmond, the Minister for Agriculture, Fisheries and Forestry, Mr Truss, in Wide Bay; and of course we have Senator Boswell. Each of these parliamentarians was elected to represent their local communities—sugar communities. They have not, and that is why Labor has moved this urgency motion.

Cane farmers who have voted for the National Party of Australia need to start asking themselves whether they are being served by the Nationals. When you look at the facts, you find the answer is clearly no. I am encouraging families living in sugar communities to seriously look at their options at the next federal election. Many of them did this in the last Queensland state election, with Labor winning seats like Burdekin in North Queensland and the seat of Burnett further south. It is time for cane farmers and sugar towns to look seriously at an alternative—to look seriously at Labor, a party with a real commitment to develop sustainable solutions for the sugar industry.

Sugar is a $1.3 billion industry. A report by the Boston Consulting Group in 1996 to the sugar industry review working party estimated that the Queensland industry employed approximately 19,000 people directly through cane growing, sugar milling and refining, storage and marketing activities, and indirectly created another 26,000 jobs. Ninety-five per cent of Australia’s sugar is grown in Queensland and 80 to 85 per cent of the crop is exported.

The sugar industry has been under siege for the last few years. Four bad seasons, disease and pests have all impacted on production and now the industry is facing historically low world prices. Senator Kerry O’Brien has travelled twice to North Queensland this year. During our most recent visit to the north we met with a wide cross-section of the community. Farming families are facing some of the most difficult external influences on the industry ever. In many farming operations, it is the women who manage the farm accounts; it is the women who know the true nature of the business. Many have to balance the needs of the family and the needs of the farm. We often hear of the stress placed on farmers, and the mental image that we get is of a man in a cane paddock. We also need to understand that there are many women carrying the burden as well as, in many cases, shielding their husbands from the financial reality faced by the farm business. With an ageing farm population, these women are also worried about the future for their children, who are considering their future as cane farmers.

The sugar industry is also facing questions about its environmental sustainability. Sugar is grown in areas containing some of Australia’s most valuable natural assets: the Great Barrier Reef and the Wet Tropics World Heritage area. The area used for growing sugar cane in Queensland has increased by over 40 per cent since 1988, according to the Canegrowers web site. The area of cane harvested in the 2000-01 season was 424,350 hectares. This expansion has not solved the problems facing the industry, has fuelled considerable environmental concerns and has, sadly, added to the debt pressures facing many farming families. Expanding the industry in the past has been a simple solution to a complex problem and, from an environmental perspective, has produced more problems than benefits. Governments must work with and support growers as they move to more sustainable farming systems. I am extremely disappointed with the Howard government’s lack of constructive support for environmental initiatives in sugar-growing regions. The Queensland Labor government’s tree-clearing legislation has not been supported. Why? Because of the Howard government’s failure to support incentives for those farmers affected. Similarly, organisations like the Great Barrier Reef Marine Park Authority have developed an adversarial relationship with cane farmers, limiting its ability to work constructively with the industry to develop a sustainable future.

We need to recognise that the industry is making efforts to tackle environmental issues. The Compass program is a good example of an initiative developed by the industry to limit off-farm impacts of cane farming. More farmers need to take up this program, and I note that Canegrowers as an organisation has set a target of 2,003 farmers completing the program by the end of 2003. Ca-
negrowers has already undertaken an environmental audit and established industry codes of practice for cane growing. Labor wants to work in partnership with industry stakeholders and local communities to develop long-term solutions for cane farmers, millers and the communities they support. Every cane-growing region we visited this year, from Mackay to Mossman, is moving to, or has already established, strategic industry boards or regional working groups to develop local solutions to the industry’s problems. Industry, local government and the state Labor government also have initiatives that could be encouraged and built upon. Examples include Canegrowers’ Compass and Sugarplan farm planning programs, Queensland DPI’s Futureprofit, the Burdekin Rangelands to Reef initiative, Sugarcane Solutions and the Douglas Shire’s Sustainable Futures program.

I say to cane growers: you will know where you stand with Labor. The National Party has been all over the shop on issues important to rural and regional Australia. There can be no clearer example of this than Mrs Kelly’s stand on Telstra and the sugar single desk. I do not think I need to put the case about Telstra—Mrs Kelly has not voted against the sale of Telstra in the past, and the record shows it. As with Telstra, Mrs Kelly is now all over the shop on the single desk selling arrangements for sugar. The Prime Minister, Mr Howard, put the single desk arrangements on the table on 4 September, when he said:

The other thing that has got to be on the table are the provisions of the Queensland Sugar Act which provide some fairly restrictive monopoly trading conditions for the mills and some growers. The record shows it. As with Telstra, Mrs Kelly is now all over the shop on the single desk selling arrangements for sugar. The Prime Minister, Mr Howard, put the single desk arrangements on the table on 4 September.

Last Saturday, 14 September, Mrs Kelly fleshed out these comments in the Mackay Mercury, further outlining her plan for dismantling the single desk arrangements. She said:

Domestic refiners will be able to enter into arm’s length contracts with farmers, through their mill, for the purchase of raw sugar for the domestic market.

Clearly, Mrs Kelly is supporting her Prime Minister in calling for the abolition of the sugar single desk. Minister Truss, Mrs Kelly and their National Party colleagues are going to try to blame the Queensland Labor government for dismantling the sugar single desk arrangements when, in fact, it is the Howard government that has put this issue on the agenda.

Let me make it clear that I understand the importance of the single desk to the sugar industry. There are over 6,000 farmers growing sugar that is eventually marketed to 20 or so large refineries. Australia exports 80 to 85 per cent of this crop, of which the majority is grown in Queensland. So it is quite simple: the single desk provides these 6,000 growers with some market power in a corrupt world market for sugar. I am concerned that the Howard government will use this current crisis as an excuse to completely deregulate the industry. The impact of this, not only on farmers but also on their associated sugar communities, would be devastating. The sugar industry needs assistance and it needs it now. As I outlined earlier, a large number of jobs are associated with the sugar industry. I conservatively estimate that 40,000 families in Queensland depend on this industry. Currently, Minister Truss and his National Party colleagues have delivered a policy vacuum and nothing but promises. Minister Truss has had the Hildebrand report since June. It is now September, and it is just not good enough.

Senator FERRIS (South Australia) (4.33 p.m.)—I am very disappointed by Senator O’Brien’s motion here today, and even more disappointed by the contributions that have been made, particularly those of Senator O’Brien and Senator McLucas. Senator O’Brien took us through a silly game of divide and rule in which he tried to drive a wedge between the National Party and the Liberal Party in Queensland. It is such an old game. Senator McLucas then gave us a geography lesson about the sugar industry. When rural Australia has a problem—and, let us face it, it has many problems at the moment, drought being the major one—the last things it wants from their federal politicians are silly games of divide and rule and petty ‘play the man, not the ball’ criticisms of this person or that. What those in rural Australia
want from their federal politicians—and I have to say that Premier Beattie has well understood this—is well-informed people who will go to their area, listen to them, look at the problem, read the literature and look at the principles that are required to deal with the problem.

In his motion today, Senator O’Brien outlined two absolutely confusing and curious sets of parameters. I think we need to repeat what they are. He outlined ‘the failure of the Howard government to provide appropriate and timely assistance to the sugar industry and its consistent failure to provide a policy framework to enable the industry to build a sustainable future’. We all agree that the sugar industry has a problem. It was outlined briefly by Senator O’Brien in between his silly game of divide and rule and it was outlined briefly by Senator McLucas as part of the geography lesson, but the best outline of the problems facing the sugar industry right now came from the Hildebrand report. The Hildebrand report—which I would urge everybody interested in the sugar industry to read—outlined the difficulties this industry has faced. We know what they are: the downturn in world sugar prices, the difficulties of corrupt markets and, of course, the poor seasons which are facing much of rural Australia—and our thoughts are with them in that matter. So what did this government do? It listened to the industry and just a few days ago—contrary to the comments of Senator McLucas, again trying to play a silly game of divide and rule—the Prime Minister of this country went to Cairns and met with representatives of the sugar industry.

Senator McLucas—He wasn’t going to until we pushed him.

Senator FERRIS—Senator McLucas, you can say whether he was or was not going to, but if you have a look at yesterday’s Australian—have a look at Mr Twenty Per Cent and where the Prime Minister is with the voters of Australia—you will understand that, when the Prime Minister goes to regional Australia and meets with representatives, people there want to talk to him and he is certainly there to listen, as he did on that occasion. He went through a package of measures for the sugar industry which includes regional adjustment, incentives for diversification and also, unfortunately—as has to take place on this particular occasion—industry restructuring.

Industry restructuring is not new to farming in Australia. It has been taking place for well over 100 years. People adjust in and people adjust out, but when adjustment takes place in the farming industries the most important thing is that people are able to do it with dignity. That was well recognised in this case and there is an opportunity for farm families to do this. There are also very important opportunities for them to move into other industries. Many industries could develop in the black soil plains and sugar country in Queensland and there will be opportunities for people to move into those. That is also very important.

I know that Senator O’Brien will agree that the $45,000 to exit the industry with dignity is very important, because in the past he has supported that measure and principle and I know that he would support it again. I know that the sugar families of Queensland will appreciate his support for that measure, as they appreciate the understanding and support of Labor Premier Beattie. I suspect that Premier Beattie would not be that happy to see this piece of ‘divide and rule’ called a motion that Senator O’Brien has brought in here today. I think that it is pretty disappointing. The fact is that the Queensland Labor government is listening to the sugar families of Queensland. I know that Senator O’Brien went up there, he did a bit of a drive through and he heard from one or two people. But what it really comes down to when all is said and done is: what does he want to do about it? Does he just want to come down here and play his little games or does he want to actually put something on the table?

I am pleased to say that he has put something on the table—a one-page media release. He believes that everything that needs to be done is within that media release. I would call it a life raft. You could not call it a policy—you could not call a one-page media release a policy. But there was a bit of a life raft there; so, to give credit where it is due, he did make an effort. But where is the policy document? Senator O’Brien stood up
and went through what we did not do and he gave us a timetable. But he has not done anything.

I would be very interested to pose a couple of questions. Senator O’Brien, where is your plan—not your media release—and where is the evidence of the government’s policy failure? Are you or are you not going to support the government’s rescue package for the farm families of Queensland in the sugar industry, for the regional communities and, most importantly, the very important sugar industry itself? It is one of Australia’s great industries and it must be allowed to continue. (Time expired)

Senator CHERRY (Queensland) (4.40 p.m.)—I agree with Senator Ferris that we need more than a press release as a substitute for a policy. But, unfortunately, that is what Minister Truss has given us. When you look at the papers to date—and I am sure that Senator Ferris would acknowledge this point—all we have are some very vague suggestions on what might be in this $150 million. I think that what is needed desperately, and what those 40,000 families in North Queensland who in one form or another rely on the sugar industry need, is some detail about what the government is actually planning. They need some real benchmarks against which to plan their future investment and their future livelihoods. They actually need to know what the criteria will be for regional development assistance and for adjustment assistance. They need to know where the government intends to take this.

Australian consumers need to know how much the levy on sugar is going to be to pay for all of this and whether it is going to apply to manufactured products or simply to retail products. What we need at this point is a bit more detail. Senator Ferris challenges us to say whether we support the plan or not but, from the Democrats point of view, we do not know what the plan is. Nobody knows what the plan is. We know that there is a figure of $150 million, which Minister Truss was happy to announce, but we do not know how it is going to be allocated other than that there may be $60 million in some form for some aspects of regional development. Beyond that we do not know. Based on the National Party’s previous experience in funding regional development, I am sure it will turn up in a couple of cane farms in the Wide Bay electorate. I am sure there are a few cane farmers who are very deserving in the Gwydir electorate as well—I am not quite sure about that one. I commend Senator O’Brien for bringing this motion into the chamber and the Democrats will be supporting it.

I would like to quote an expert on the government’s failure to actually implement a decent plan for the sugar industry—a fellow called John Howard, who was actually in Cairns the month before last and who actually acknowledged that the government had failed to implement any of its previous assistance plans for the sugar industry or any of the benchmarks or performance criteria that were set for them and that part of the problem we now have is that all of the previous plans have failed. I acknowledge, and I think all of us need to acknowledge in this place, that one of the key single problems facing the sugar industry is not so much government policy in this industry as a corrupted world market. The Australian sugar growers are the only sugar growers in the world who are honest enough to accept and to try and live off the world price. The Americans do not do it, the Brazilians do not do it and the Cubans certainly do not do it—nobody else in the world has to live off the world price except the Australians.

A few years ago—a couple of sugar assistance packages ago—the government abolished the tariff on imported sugar and said to the industry, ‘We acknowledge that this might hurt you—we’ll give you a single desk to make sure that you are protected.’ Today we are actually seeing that the single desk is suddenly up for negotiation and that deregulation is now back on the agenda as the way to go for the sugar industry. Again they are saying, ‘It is all because of the world markets and we can’t help you.’ But at what point are we going to have certainty in this government’s approach to the sugar industry? At what point are we going to be able to say, ‘These are the rules for the next 10 years, these are the criteria within which you develop and these are the criteria that we are going to use to support you and to de-
velop a sustainable industry on.’ The Democrats want to see decent benchmarks set on this $150 million. Before we ask consumers to pay up to 18c a kilogram on the sugar they buy, we need to be able to assure them that, if they pay this levy, the result will be a sustainable sugar industry.

All Australians want to ensure that the cane farmers who are under extreme economic stress are assisted in terms of income, adjustment and so on. If we continue to fund an adjustment package in the longer term, we need to be able to assure Australian consumers that at the end of the day there will be a sustainable industry. By ‘sustainable’ I mean economically sustainable and environmentally sustainable—in that we have to ensure that the industry is going to have a long-term future and we need to find a way of achieving that; environmentally sustainable because, as we well know, the sugar industry’s record is somewhat mixed. The Hildebrand report made this fairly clear. In fact, in my press release I state:

The Hildebrand Report correctly identified a lack of farsighted leadership ... as one of the key impediments to delivering an economically and environmentally sustainable industry, and the Government needs to address these concerns head on.

It is simply breathtaking that there is so little detail on the table about what is in this package.

We need to say to the sugar communities quite clearly what is expected of them, what benchmark they will be expected to meet and what they will get if they meet it. The press release goes on to state:

Growers also need to be encouraged to reduce run-off from farms into rivers and streams, which are adding to environmental stresses on the Great Barrier Reef Marine Park.

Over the past decade, there has been a huge increase in land uses for cane production.

According to the CSIRO:

Around 30% of this land was not suitable for cultivation and needs to be taken out of production.

The Democrats would like to see that as part of any adjustment package, to give priority to which farmers are adjusted out of the industry, to try to take out some of the land that should never have been put into cane production.

The Democrats have also been very concerned about the clearing of land that is adjacent to World Heritage rainforests or part of key wildlife corridors. These areas have been brought into cane production as part of the ‘bigger is better’ mantra of industry restructuring over the last decade. We are told that out of this package we are going to see possibly up to one-third of cane farmers taken out of the industry, and bigger will be even bigger in terms of getting better. Trying to bring too much land into production which should not be in production is something which we think this plan should address. We would like to see something more than a four-line press release from Minister Truss on how he intends to achieve that.

The Democrats do welcome the government’s proposal to allocate up to $60 million for regionally based economic initiatives. This will allow local communities to creatively manage their own economic adjustment and unlock regional economic opportunities, but what are the criteria? How will we be judging programs? How will we make sure that this does not become little more than a pork-barrelling exercise for National Party members? These are key things we need to ensure if we are going to persuade Australian consumers to pay a levy.

The Democrats are concerned about any changes to the domestic and export marketing arrangements. If arrangements are changed, the government needs to reconsider its abolition of the tariff on imported sugar that was conditional on these arrangements some years ago. We also want to ensure that we get detail on the levy and how it will apply to consumers or manufactured products as quickly as we can. We also need to have a bit more detail on what the plan for ethanol is and, if that is going to be the great ‘save the sugar industry’, exactly how that is intended to be delivered, particularly beyond the 12-month period of the rebate.

So essentially what the Democrats are asking for in supporting this motion is an acknowledgment that, to date, all the government’s plans for sugar have failed—that is, an acknowledgment from no less a person
than the Prime Minister himself that the criteria that were set have not been met by the industry. We are asking the government today to provide detail on what the benchmark for this plan will be, what the expectations of industry will be, how the pathway to a sustainable industry in economic, environmental and social terms will be achieved and how this government is going to help get to that higher performance benchmark. From that point of view, the Democrats would then be more than happy to sign off on an industry package that not only has a long-term perspective, promises a future for our sugar communities and addresses the poverty issues of economic stress and hardship but also assures the Australian consumers that there will be value for the $150 million gained through the extra money they will be paying for their kilo of sugar purchased in the shops over the next five years.

Question agreed to.

COMMITTEES
Scrutiny of Bills Committee
Report
Senator CROSSIN (Northern Territory) (4.49 p.m.)—On behalf of Senator McLucas, I present the 10th report of 2002 of the Senate Standing Committee for the Scrutiny of Bills. I also lay on the table the Scrutiny of Bills Alert Digest No. 9 of 2002, dated 18 September 2002.

Ordered that the report be printed.

BUDGET
Consideration by Legislation Committees
Additional Information
Senator FERRIS (South Australia) (4.50 p.m.)—On behalf of the Chair of the Legal and Constitutional Legislation Committee, Senator Payne, I present an erratum to additional information received by the committee relating to hearings on the examination of budget estimates 2002-03.

COMMITTEES
Public Works Committee
Report
Senator FERRIS (South Australia) (4.50 p.m.)—On behalf of Senator Ferguson and the Parliamentary Standing Committee on Public Works, I present the second report of 2002, entitled RAAF Base Williamtown redevelopment stage 1 and Facilities for the Airborne Early Warning and Control Aircraft. I move:

That the Senate take note of the report.

I seek leave to incorporate my tabling statement in Hansard.

Leave granted.

The statement read as follows—

The report deals with a range of new and redeveloped facilities and infrastructure needed to support the introduction into service of the Airborne Early Warning and Control capability, which will be based at RAAF Base Williamtown, near Newcastle, New South Wales. The proposed works will also form the basis for future redevelopment of Base facilities, many of which are inappropriately sited or nearing the end of their economic life. The estimated cost of the works is $149 million.

The Airborne Early Warning and Control system is a new capability for the Australian Defence Force, which will enable improved surveillance of Australia’s vast coastline. It is anticipated that the new system will bring some 350 additional personnel to RAAF Base Williamtown, which will necessitate extensive upgrading of Base facilities and infrastructure.

Mr President, the response to the proposed works was generally positive, however three main issues were highlighted during the course of the inquiry.

The first issue related to local employment. The proposed works were welcomed by several witnesses as representing a significant economic investment by the Government in the Hunter region. It was noted that the region currently has an unemployment rate of around 11%. In view of this, the Committee recommended that Defence investigate options and costs for increasing opportunities for trainees and apprentices on the works proposed for RAAF Base Williamtown.

The Committee also queried the arrangements between the RAAF at Williamtown and the commercial operator, Newcastle Airport Limited, which leases some 23 hectares of the airfield from Defence. Specifically, the Committee wished to know if the current lease was providing Defence with the optimum financial return.

The Committee recommended that Defence examine costing agreements between the Department and civilian operators at shared airfields nationwide, and the impact of these on civilian operators, with a view to developing a nationally consistent policy to govern such arrangements.
Several witnesses raised stormwater drainage and the provision of essential services as matters of considerable significance to the broader Williamtown area. Local stakeholders requested that Defence take account of other developments proposed for the area when planning alterations to essential services infrastructure. In view of this evidence, the Committee recommended the continuation of discussions between Defence, local service authorities, and stakeholder and community groups, to ensure a cost-effective and coordinated approach to the works.

The Committee has recommended that the works proposed for the RAAF Base Williamtown Redevelopment Stage 1 and facilities for the Airborne Early Warning and Control capability proceed at a cost of $149 million, pending the fulfilment of the recommendations made in this report.

Mr President, I wish to thank the many people who assisted the Committee during the course of the inspections and public hearing at Newcastle, and also my colleagues on the Committee for their support and contribution.

In particular, Mr President, I would like to take this opportunity to congratulate you on your elevation to the Presidency of the Senate. The public hearing at Newcastle was your last trip with the committee and your humour and energy will be missed by your colleagues.

On behalf of the Committee, I also wish to thank the staff of the secretariat for their support throughout this inquiry.

I commend the Report to the Senate.

Question agreed to.

Public Accounts and Audit Committee Report

Senator FERRIS (South Australia) (4.51 p.m.)—On behalf of Senator Watson and the Joint Committee of Public Accounts and Audit, I present the 391st report of the committee, on the review of independent auditing by registered company auditors. I move:

That the Senate take note of the report.

Senator MURRAY (Western Australia) (4.51 p.m.)—I rise to speak briefly on this report. This was a milestone report for the Joint Committee of Public Accounts and Audit. It is the first time in 89 years, I am told, that this senior and prestigious committee has stepped outside the boundaries of public sector accounts and examined issues to do with the private sector. The reason it has been able to do that is twofold. Firstly, the Commonwealth, in conjunction with a number of other governments within the Australasian region, have adopted accrual accounting and now have common accounting systems with the private sector; and, secondly, the accounting standards, corporate governance requirements and the practices required of businesses being run by either the government or the private sector now have fundamentally the same precepts. Consequently, the committee was able to take its considerable experience with the Auditor-General and the issues of reporting and governance in the public sector and apply some of those experiences in an examination of a major private sector problem.

With regard to this inquiry, the problem in the private sector has focused on auditors. It might be said that the inquiry has also focused fundamentally on that in the examination of these issues at large. However, the committee recognises that the real responsibility for the performance, the health, the honesty and the integrity of companies ultimately rests with the management and the board; it does not rest with regulators or other stakeholders. Auditors are in fact a contributor to better standards and do not and should not have the ultimate responsibility for them. Nevertheless, it is the external auditor on whom so much public faith and dependence rests, and therefore the structure, institutions and practices of auditors matter enormously in terms of potentially beneficial or, in the case of failure, potentially disastrous outcomes.

The question of independence is at the forefront of people’s views and considerations. However, you seldom hear people who discuss these matters actually beginning with a definition of independence. Report 391 does have a brief section which reviews the very essence of independence—what it means and whence you start. But ultimately you can summarise it this way: if you want people to be independent, they have to be independent in terms of appointment and dismissal and in terms of security of tenure and remuneration. The report has addressed some of those aspects with respect to auditors. It has also addressed aspects to do with the corporate governance practices of boards...
themselves, particularly the performance of audit committees. It is my view that the faith people put in audit committees can only be realised if the independent directors on those committees are genuinely free of the influence of controlling management or financial interest bodies and are not subject to their patronage. That issue of getting truly independent and fearlessly independent people on boards and truly independent and fearlessly independent people doing the auditing is critical.

Over and above that, there have been a number of recommendations which address issues of weakness within the relationship of auditors and the matters on which they have to audit. One of those issues relates to the conflict between the requirement to comply with accounting standards and to provide a true and fair view that the accounts are as they state. I describe it as a conflict because it seems to me that the practice in some audit circumstances of complying with accounting standards can result effectively in assets or liabilities or financial statements being misrepresented. Let me give you an easy example. If you do not expense options—you may quite legitimately do that under the aegis of the accounting standards prescriptions—you actually overstate revenue and overstate the profitability of a company. That is a clear situation where you may be complying with accounting standards, but a true and fair view of the company’s accounts should indicate that in fact profits have been overstated. Let me give you an easy example. If you do not expense options—you may quite legitimately do that under the aegis of the accounting standards prescriptions—you actually overstate revenue and overstate the profitability of a company. That is a clear situation where you may be complying with accounting standards, but a true and fair view of the company’s accounts should indicate that in fact profits have been overstated. The committee has sought to clarify the relationship between the need for financial statements to comply with accounting standards and to provide a true and fair view. In case anyone thinks that this does not matter much, in America it has been calculated that the failure to expense options may have resulted in as much as a 13 per cent overstatement of profitability. The consequence of that across American companies is literally billions, and in this country it might well be hundreds of millions. So these things matter a great deal in financial terms.

Other areas addressed by the report include the requirement that the chief executive officer and the chief financial officer of a company sign a statutory declaration that the company’s financial reports comply with the Corporations Act and are materially truthful and complete—in other words, you are laying responsibility on the individuals. If they sign something which is untrue, they can face the full force of the law. We have sought in the report to increase the verification process. The auditor’s report and the directors’ report should include a general statement on audit independence, for instance. We have suggested that the Australian Stock Exchange listing rules should require additional reporting by companies against a range of criteria and performance indicators. We have said that the Corporations Act should require auditors to report on whether it believes a company is complying with new corporate governance standards, which should be developed by the Financial Reporting Council. But at the heart of all these recommendations must be an acceptance that, unless the balance of interests on company boards properly represent not only the financial interests that dominate in the company but the mass of shareholders who have a need for independent board input—unless you can address those issues of a proper separation of powers and true independence—you will still struggle to get the best outcome in terms of corporate governance and independent practice.

The committee has recommended—I do not know whether I said this—that all publicly listed companies should have an independent audit committee. That is necessary. There are something like 500 publicly listed companies in this country, and having an independent audit committee will give that little bit of extra assurance.

The other matter I should raise here is the view of the committee that the private sector should start to look at a common device used in the public sector, which is the performance audit. Nearly all audits in the private sector are financial, or assurance, audits—in other words, they examine the financial statements. Performance audits examine areas of risk, and it is that risk area which has been exposed with such great pain in the HIH, One.Tel and Ansett disasters, for instance. There needs to be much more of a requirement on external auditors from boards
and from shareholders, and perhaps even from regulators, that risk audits be conducted where appropriate. I will leave my remarks there. I think this report was a ground-breaker, and I hope it makes a great contribution to improved standards in this area.

Question agreed to.

Legislation Committees

Reports

Senator FERRIS (South Australia) (5.01 p.m.)—Pursuant to order and at the request of the chairs of the respective committees, I present reports from legislation committees in respect of the examination of annual reports tabled by 30 April 2002. I advise the Senate that the Community Affairs Legislation Committee will not be presenting a report, as all relevant annual reports were covered in the committee’s report tabled on 13 March 2002.

Ordered that the reports be printed.

WORKPLACE RELATIONS AMENDMENT (PAID MATERNITY LEAVE) BILL 2002

Report of Employment, Workplace Relations and Education Legislation Committee

Senator FERRIS (South Australia) (5.02 p.m.)—On behalf of the Chair of the Employment, Workplace Relations and Education Legislation Committee, Senator Tierney, I present the report of the committee on the Workplace Relations Amendment (Paid Maternity Leave) Bill 2002, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator CROSSIN (Northern Territory) (5.02 p.m.)—I move:

That the Senate take note of the report.

I would like to make some comments about this report and in particular about the issue of paid maternity leave. We certainly welcomed the Workplace Relations Amendment (Paid Maternity Leave) Bill 2002, which was introduced by the Democrats. This bill, and the contents of this bill, has contributed to the continuing debate on paid maternity leave. You will note that in our minority report, while we are unable to support the contents of this bill, we do recognise that the referral of this bill to the Employment, Workplace Relations and Education Legislation Committee has given not only this chamber but those who provided evidence before this committee a valuable opportunity to consider in detail some of the issues surrounding the introduction of paid maternity leave in this country.

Firstly, it is important to mention that the Labor senators’ minority report conveys the overall opinion of the 34 submissions that were made to the committee that paid maternity leave is needed in this country and is supported. From memory, we received only three submissions that did not hold the view that paid maternity leave should be supported. Submissions came from a number of areas, such as industry, unions, community organisations and individuals. Most of the evidence and submissions before the committee supported the introduction of paid maternity leave by government and the benefits that would flow from that.

One of the cornerstone issues of this inquiry was whether paid maternity leave was an industrial right or a social right of women in this country. It is interesting to note that the majority report on behalf of the government refers to only the submission from the Women’s Action Alliance, who argued that they saw it as a social right. The Australian Family Association also held that view. They are the only two. Most of the people who presented evidence to this inquiry—particularly industry, I might say, and the unions, the Australian Council of Trade Unions—felt that it was most definitely and appropriately classified as a workplace relations issue. That is, industry bodies saw that it was absolutely a work related entitlement. It was like annual leave, leave for Army Reserve or jury service or sick leave. Related to the fact that you necessarily take a period of time off work to have a child, the relationship between taking this sort of leave and work puts it clearly in the industrial arena and the arena of it being a workplace relations issue rather than a social policy issue.

The other thing that is interesting is that this bill seeks to amend the Workplace Relations Act. The Labor Party would contend
that perhaps in the introduction of paid maternity leave this is not entirely the appropriate way in which this should be done. Our report goes to the fact that, while the Workplace Relations Act specifies that women in this country should have a right to unpaid maternity leave and makes provision for that, the Workplace Relations Act does not currently provide an avenue for payment of government moneys. For example, just as the Workplace Relations Act does not provide for, say, the payment of superannuation or workers’ entitlements on becoming redundant, nor should it provide for this payment. In our report we have suggested that there would need to be an entirely separate act struck for this purpose—perhaps a paid maternity leave act in its own right—that would somehow enable this provision and the recognition of this right being paid to women. So one of the basic elements on which we would differ is the actual use of the Workplace Relations Act in order to ensure that this entitlement is introduced.

A wide range of views were expressed to the committee regarding the appropriate level of payment under a paid maternity leave scheme. Four levels of payment were suggested: minimum wage, average wage, average female wage or full wage replacement. A number of those options were canvassed. The contentious issues before the committee were: who should be eligible for this paid maternity leave, what the qualifying period should be—or whether in fact there should be a qualifying period at all—and whether mothers outside the paid work force should be included in the scheme. A number of submissions expressed concern that currently there is not adequate support available to women and families in Australia. This is despite the government’s position that the baby bonus is more than appropriate. We have seen Senator Minchin expressing that view in question time this week. Certainly, though, the introduction of paid maternity leave is intended clearly for women who are in paid work and recognises that they need time off from that paid employment in order to have children.

The other contentious issue was whether the Workplace Relations Amendment (Paid Maternity Leave) Bill 2002 fails to provide sufficient support for women in state governments. We have seen that there is inconsistency in state government provisions across this country. South Australian public servants only get two weeks paid leave, as opposed to those in the ACT or the Northern Territory, who get 12 weeks paid leave. The other issue is whether the leave should be available only to mothers or to either parent. It was consistently suggested that there should be a certain amount of flexibility included in the bill, for various situations. This was advocated by the Australian Federation of Business and Professional Women, for example.

The economic benefits for industry and society as a whole were also discussed. I think this has to be seen as the key focus as to why you would want to introduce such a scheme in this country. The economic benefits were mentioned in a submission made by Esprit, for example, who we know have introduced paid maternity leave. This is not just about women and it is not just about fertility rates. There is a broader social, economic and moral issue involved here. That was supported by the industry groups that appeared before us in this inquiry.

We now know that the Australian Labor Party are committed to the introduction of paid maternity leave for all Australian women in paid work. We see that it would be one part of a set of coordinated policies that will help balance work and family. Although, as the Labor Party have previously stated, paid maternity leave is not in itself sufficient to eradicate any gender based inequities in employment, it is an essential aspect of any attempt to enhance the capacity to balance work and family responsibilities and to lessen the adverse impact of parenthood on women’s employment outcomes.

Throughout the inquiry, it was quite evident that this issue is not about Australia’s falling fertility rates. The Democrats’ report to this bill, like our report, suggests that the case for paid maternity leave is not depend-ent on the fertility argument, as some members of the government want it to be. The case for paid maternity leave is very strong on the grounds of antidiscrimination, the
welfare of mothers and babies, employer costs, and equity between women. Those who made submissions to this inquiry have not presented the fertility rate as the main driver of the need for paid maternity leave.

In finishing, I want to say that I found very disappointing the submissions given to us by the federal departments and the OSW as they appeared before the committee. I now understand the dilemma they were in, because this government clearly does not have a solid position on the introduction of paid maternity leave—as this report shows. This government believes the introduction of paid maternity leave should be left to market forces. It believes that employers and workplaces should be responsible for introducing their own workplace arrangements, their own paid maternity leave arrangements. The split in the government’s position on this issue is shown in this report and is shown in its complete lack of commitment and lack of understanding of the issues and the complex arguments. It is shown in the fact, for example, that the chair of the legislation committee could not even be here to present this report himself.

Senator STOTT DESPOJA (South Australia) (5.12 p.m.)—I echo those final words of Senator Crossin in relation to the government’s lack of representation on this issue in the Senate at the moment and also in relation to the government’s confused views on the issue of maternity leave. I am glad that we are seeing this report tabled today. I begin by thanking honourable senators, as well as the many organisations and individuals who contributed to the report on my private member’s bill, the Workplace Relations Amendment (Paid Maternity Leave) Bill 2002. There has been an enormous contribution from organisations and individuals who presented written and verbal submissions to the inquiry. I think the efforts of all of those involved will result in a more robust and practical piece of legislation. I thank those people for their valuable contribution. In my report on this bill, I have outlined a number of recommendations on behalf of the Australian Democrats, based on some of the discussions and the ideas that came forth during the discussions on the bill and during the roundtable discussions that I have had with a number of women’s groups, with business, industry and other groups in the process of formulating this legislation.

I think that the argument for paid maternity leave in Australia has been won. I do not think we need to debate the merits of such a scheme any longer. It is quite clear that it is time for legislative action. I have no doubt that we will hold differing and diverse views as to what is the best type of legislation, and no doubt that is reflected in the reports. Despite some differences among other minor parties and between the opposition’s report and my report, there is still a fundamental commitment to the introduction of paid maternity leave. I am sorry that that commitment is not shared across the chamber. However, there have been some welcoming signs in recent weeks. The Prime Minister has indicated that he may be changing his view on this issue. Certainly, in response to my question on Monday, Senator Minchin, the minister responsible for formulating the cost of such a scheme in Australia, was sounding like he might be changing his mind. So I am hopeful that legislative action will result as a consequence of this report and the work of the Sex Discrimination Commissioner.

Employers, unions, women’s and community organisations, and of course individuals are recognising that there is an urgent need for greater support for Australian working women when they have a baby—indeed, for all women when they have a baby. The polls tell us that 75 per cent of Australians support paid maternity leave, and this level of support was overwhelmingly reflected in the majority of submissions to the inquiry into the bill which advocated paid maternity leave. It is important to note that the formal report of the committee is supported solely by the government members of the committee. This so-called ‘majority report’ clearly does not reflect the views of a majority of Australians.

As many in this debate have noted, Australia lags well behind the international community on this issue. We are one of only two OECD countries that do not provide some level of paid support to working women after the birth of their child. Evi-
dence presented to the inquiry illustrates vividly the urgent need for paid maternity leave, particularly for women who financially support their families. One woman who gave a submission to the inquiry—and I am still struck by this evidence—told us that she had to return to work two weeks after the caesarean birth of her child, not because she wanted to but because she had to. She had no access to unpaid leave, let alone any paid maternity leave. She observed, ‘Economic pressure meant that I really had no choice.’ No Australian mother should be forced to return to work so soon after the birth of her child, when her baby is too young for child care and there is little opportunity to breastfeed.

Paid maternity leave is not only a need of Australian women; I believe it is their right. Hence the advocacy, through you, Madam Acting Deputy President, to Senator Crossin concerning the Workplace Relations Act—to reflect the fact that it is a right. Women have the right to make their own decisions about their labour force and home participation. Such decisions should be free from the effects of systemic discrimination.

The evidence presented to this inquiry demonstrates the wide ranging benefits of paid maternity leave to the community as a whole. Paid maternity leave is beneficial to the health and welfare of both mothers and children. The Australian Industry Group suggests that it also results in improved returns on public investment in education and training. Employers, too, benefit from the provision of paid maternity leave. Experience has shown that it results in an increased return to work by employees and a consequent reduction in re-hire and training costs.

A national scheme of government funded paid maternity leave is necessary to address deeply entrenched inequities in the current provision of paid maternity leave by employers. For example, evidence shows that women in feminised industries and low-income employment have less access to paid maternity leave. That is what this debate and this bill are about: making things more even. It is not just about making sure that women in high-income professions or in certain professions, as we have seen from the statistics, have access to paid maternity leave; it is about all women having access to paid maternity leave.

With these considerations in mind, it is impossible to accept Senator Minchin’s claim that paid maternity leave constitutes ‘middle-class welfare’. Indeed, ‘middle-class welfare’ is a phrase which lends itself more appropriately to the government’s so-called ‘baby bonus’ scheme. I call on the government to follow the recommendation of the great majority of submissions to this inquiry and abolish the baby bonus. It is manifestly unfair, regressive and ill-targeted and it favours those women in high-income groups. That is not fair—that could be argued to be middle-class welfare. Moreover, as the figures tabled earlier this week by Senator Minchin demonstrate, the baby bonus is actually going to cost this government considerably more money than the basic paid maternity leave scheme proposed in my bill. The government should abandon the baby bonus scheme in favour of an eminently more affordable, practical and fair system of government funded paid maternity leave.

I emphasise that the scheme proposed in my private member’s bill is intended only as a first step of many that are required to provide adequate support to mothers upon the birth of a child. It is remedial legislation which seeks to address current inequities in the provision of paid maternity leave and combat the systemic workplace discrimination which has long been the experience of Australian working women. In financial terms, this discrimination means that women forgo between $167,000 and $239,000, depending on their qualifications, as a result of the birth of their first child alone. Setting the level of payment for paid maternity leave at the minimum wage rate will deliver replacement earnings for between 35 and 48 per cent of all women. It is anticipated that many employers will be prepared to top up this payment so that employees receive their usual rate of pay, or close to it.

One of the recommendations I make in my report is that a review of the paid maternity leave scheme be undertaken within three years, which incorporates an analysis of the scope and impact of employer top-ups. I
have taken note of those submissions which advocate a level of payment higher than the minimum wage. I support increasing the rate of paid maternity leave to approach the level of women’s usual earnings but, as have I said, this bill was intended as an initial remedial measure. It is a practical means of taking action now and it will deliver basic paid maternity leave to many, many Australian women who do not currently have access to it.

I have listened to the debate as to whether paid maternity leave should be restricted to women in paid employment or whether it should be extended to women outside of the paid work force. The arguments put forward in favour of paid maternity leave being made available to all mothers are persuasive—I acknowledge that. I have therefore recommended in my report that separate legislation be enacted to introduce a basic maternity payment for all mothers—equivalent to, say, the after-tax value of the paid maternity leave entitlement of 14 weeks at the minimum wage. I have also recommended that the government investigate the costs of providing paid maternity leave to self-employed women and consider extending eligibility to this group of women. I intend to make a number of amendments to this bill, consistent with the recommendations set out in my report. I look forward to further debate on the bill in this chamber.

Finally, I call on the government to take heed of the evidence presented to the inquiry and listen to the 75 per cent of Australians who support paid maternity leave. In this context, it is staggering that the government is content to merely acknowledge that paid maternity leave has made it on to the political agenda. It is well past the time for the government to take some action on this issue and commit to a paid maternity leave scheme on a national basis. I do not want employers to bear that cost alone. I think the role of government is undeniable in this process; that is what my legislation intended to achieve. I thank people for their contributions to the inquiry in the form of recommendations to the bill, some of which I will be happy to take on and amend. I just hope the government will consider it. (Time expired)

Senator NETTLE (New South Wales) (5.23 p.m.)—I rise to speak to the Australian Greens dissenting report on the Workplace Relations Amendment (Paid Maternity Leave) Bill 2002. The Australian Greens support paid parental leave for men and women. We do not believe that the Australian Democrats’ bill, in its current form, goes far enough, because it fails to address several critical issues on this topic. We see merit in examining a range of options and funding models, but we strongly disagree with the government’s assertion that this matter is best left to the marketplace to address. It is clear that government must play a major role in ensuring that all working men and women have secure, paid parental leave.

It is almost 30 years since paid maternity leave was first introduced widely in Australia for Commonwealth government employees and, a generation on, fewer than four out of 10 employed women have this entitlement, for an average of just seven weeks. This exposes the flaw in the government’s assertion that paid parental leave can be determined equitably through the workplace. While it is true that some motivated employers have introduced paid parental leave, they are currently in the minority. As other senators have commented in this section, Australia and the USA are the only two members of the OECD that do not provide paid leave for women on the birth or adoption of a child. Paid parental leave has become a basic entitlement in many countries, with six months paid leave in most European countries, including Britain from next year. This bill provides for 14 weeks, except for public sector employees, whose entitlements range up to 12 weeks. Numerous international agreements include provision for paid parental leave. These are aimed at overcoming the unequal treatment women experience in their employment because of child-bearing, assisting women to access the health benefits of breastfeeding and providing an adequate income for a woman and her child while the mother recovers from childbirth.

It is shameful that Australia did not ratify ILO Convention 103 dealing with maternity
protection, and nor has it ratified its replacement, Convention 183. Australia must withdraw its reservation to article 11.2 of the Convention on the Elimination of All Forms of Discrimination Against Women, which deals with paid maternity leave for working women.

Bearing and raising children is a personal decision but is not purely a private matter. While there is a private choice as to whether and when to start a family, this personal decision has social impacts. Public policy also influences this decision. Policies such as deregulating the labour market, compelling citizens to pay a higher direct cost for their health, education and towards their retirement income, and policies that promote rising accommodation costs through taxation and other measures all influence family formation. Government ministers have been doing their utmost to derail the campaign for a national paid maternity leave scheme, describing it as ‘middle-class welfare’, and claiming that, on the basis of costings that fail to incorporate the benefits of such a scheme, the country cannot possibly afford even the most minimal entitlement such as set forward in the Australian Democrats’ bill.

Most of the employees missing out on paid parental leave are low- to average-income earners, and they will benefit very little from the government’s regressive baby bonus. A poorly conceived policy made the run-up to the 2001 federal election campaign. The government has admitted that the baby bonus is a tax averaging arrangement. That means the greatest benefit goes to those on higher incomes who stay out of the workforce for five years. It will not help women and men maintain their attachment to the workplace, which is critical if they are to resume paid work, including part-time work, which many people prefer in the early years of child rearing.

The baby bonus is a regressive, non-means tested benefit, for which the government will have budgeted $510 million a year by the time it is fully implemented in 2005-06. It is worth restating that this is more than the minimalist Australian Democrats’ proposal. The government is entirely comfortable underwriting the private health insurance sector through its 30 per cent premium rebate, channelling millions of dollars to private schools which cater for a minority of Australian children and providing around $18 billion a year to support families, including hefty non-means tested benefits. All this is done in the name of helping citizens exercise choice, yet it claims that the country cannot afford to support the choice of parents who want time away from work when childbirth and early child rearing requirements are needed. Many families either need or wish to have two income earners, and for single parent families earned income often means the difference between poverty and making ends meet. In the year 2000, almost three-quarters of employed women who took a break from work on the birth of a child were on leave for fewer than 12 months.

The Commonwealth, state and territory governments, as employers, provide paid parental leave, and enlightened employers have acknowledged the economic benefits of paid parental leave and flexible arrangements that support people to meet work and family responsibilities. But not all employers are so motivated. The committee also heard evidence that, for some employers, particularly those in low-skilled sectors, the business case is not so strong. This makes it essential that the Commonwealth government play a central role in expanding paid parental leave to all Australian workers.

The Greens believe that paid parental leave is primarily an employment issue, but it is also an important social justice issue. Many policies need to be developed in the context of a review to improve current social security entitlements. All women and men are entitled to a guaranteed adequate income that supports their choices about how they make their contribution to society, including the unpaid caring roles and assistance with the cost of raising a family. The needs of women not in paid work must be addressed through a progressive social security system. Australia can afford a paid parental scheme—precisely what model and what level of replacement income need further examination and debate. The Greens will be campaigning for paid parental leave, and we look forward to more opportunities to dis-
cuss the issue in this chamber and in the community.

Question agreed to.

DOCUMENTS
Auditor-General’s Reports
Report No. 8 of 2002-03

The ACTING DEPUTY PRESIDENT (Senator Collins)—In accordance with the provisions of the Auditor-General’s Act 1997, I present the following report of the Auditor-General: Report No. 8 of 2002-03—Business Support Process Audit—The Senate order for department and agency contracts (September 2002).

COMMITTEES
Community Affairs Legislation Committee
Membership

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

Senator ALSTON (Victoria—Deputy Leader of the Government in the Senate) (5.31 p.m.)—by leave—I move:


Question agreed to.

ASSENT
Messages from His Excellency the Gov- ernor-General were reported, informing the Senate that he had assented to the following laws:

Veterans’ Affairs Legislation Amendment Act (No. 1) 2002 (Act No. 73, 2002)
Veterans’ Affairs Legislation Amendment Act (No. 2) 2002 (Act No. 74, 2002)
Australian Radiation Protection and Nuclear Safety (Licence Charges) Amendment Act 2002 (Act No. 75, 2002).

COMMITTEES
Foreign Affairs, Defence and Trade Committee: Joint Meeting

Senator McGAURAN (Victoria) (5.32 p.m.)—by leave—At the request of the Chair of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I move:

That the Joint Standing Committee on Foreign Affairs, Defence and Trade be authorised to hold a public meeting during the sitting of the Senate today, from 5.22 pm, to take evidence for the committee’s inquiry into the conditions in immigration detention centres.

Question agreed to.

PROHIBITION OF HUMAN CLONING BILL 2002
First Reading

Bill received from the House of Representatives.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (5.33 p.m.)—I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (5.33 p.m.)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

The purpose of the Prohibition of Human Cloning Bill 2002 is to prohibit certain practices associated with reproductive technologies, including the cloning of a human being.

The provisions in the Prohibition of Human Cloning Bill 2002 originally formed part of the Bill introduced in the House of Representatives as the Research Involving Embryos and Prohibition of Human Cloning Bill 2002. The Bill was intended to give effect to decisions taken by the Council of Australian Governments in April 2002 to introduce nationally consistent legislation to ban human cloning and other unacceptable practices and to allow research involving the use of
existing excess ART embryos under a strict regulatory scheme.

In introducing the consolidated bill, the Prime Minister acknowledged that most members of his government appeared to support the prohibition on human cloning and other unacceptable practices outlined in the bill. However, the part of the consolidated bill which dealt with research involving excess ART embryos raised more controversial issues, as it traversed areas involving complex ethical and moral judgements to which Australians would inevitably adopt a variety of attitudes. He foreshadowed that, out of respect for the views of all members, the Government would not oppose moves in the House to split the bill.

In fact, on 29 August 2002 the House of Representatives did vote to divide the bill into two separate pieces of legislation. The Prohibition of Human Cloning Bill 2002 prohibits human cloning and other unacceptable practices associated with reproductive technology. The Research Involving Embryos Bill 2002 regulates certain activities involving research on excess ART embryos.

Before the vote was taken on the splitting of the consolidated bill, the Prime Minister acknowledged that his only reservation in splitting the bill was that he hoped that it would not jeopardise the vision of national consistency articulated at COAG. He also warned that splitting the consolidated bill should not be regarded as a precursor to watering the bills down. He counselled that the bills, in their divided forms, should be resolutely preserved because they represent the delivery of the COAG agreement.

The Prime Minister also expressed the hope that the States and Territories would remain committed to the vision of national consistency. The Prime Minister disagreed with statements of three of the Premiers that splitting the bill would not be consistent with the spirit of the COAG Agreement. The agreement dealt with a series of matters to be incorporated into a nationally consistent legislative scheme. Those matters will still be addressed as agreed, albeit in two separate pieces of legislation.

Nothing has been lost by implementing the agreement reached at COAG through two pieces of legislation rather than one. The two bills give effect to the COAG agreement in exactly the same way as the one consolidated bill would have done. The bills must, however, be preserved without further amendment.

And now to turn to the Prohibition of Human Cloning Bill 2002. The Prohibition of Human Cloning Bill 2002 creates a series of offences in relation to human embryo clones. It makes it an offence, with a maximum penalty of 15 years for a person to create a human embryo clone, to place a human embryo clone in the human body or the body of an animal or to import or export a human embryo clone into or out of Australia.

The bill also prohibits other practices relating to the application of reproductive technology including creating a human embryo for a purpose other than achieving pregnancy in a particular woman and developing a human embryo outside the body of a woman for a period of more than 14 days. The bill prohibits the commercial trading in human eggs, human sperm or human embryos. These offences attract a maximum penalty of 10 years imprisonment.

The penalties provided in the bill are significant penalties, appropriate to the seriousness of the offences. They are broadly consistent with the penalties currently in the Gene Technology Act 2000 and with those in the human cloning bills introduced in New South Wales and Queensland prior to the COAG decision. The penalties also compare with international precedents, such as those contained in United Kingdom legislation.

There have been suggestions that the legislation will lead to increasingly liberal attitudes to human cloning. This is not the case. The legislation is not permissive. It enshrines in legislation bans on human cloning and other unacceptable practices where, at least in some jurisdictions, such prohibitions did not previously exist in a legislative form. It ensures that, in Australia, there is a nationally consistent approach to these issues. The bill provides further for a review, to be completed in three years time. The review will consider changes in community standards and scientific developments. Changes cannot be made, however, other than with the agreement of this Parliament and all the States and Territories.

The bill represents a balanced and cautious approach to an area of rapidly developing science. While some researchers have expressed a desire to create embryos for research purposes, or use innovative practices such a cytoplasmic transfer, these activities are prohibited by the legislation. At this point in time, it is not appropriate on ethical and safety grounds to permit such practices in Australia.

In December 2000, community concerns were voiced regarding the lack of legislation in some States and Territories to regulate the cloning of human beings. This prompted the Government to introduce amendments to prohibit the cloning of whole human beings during the Senate debate of the Gene Technology Bill 2000. It was always intended that the provisions in the Gene Technol-
ogy Act 2000 be an interim measure, and the Pro-
hibition of Human Cloning Bill 2002 repeals the
provisions in the Gene Technology Act 2002,
which deal with human cloning.
The Prohibition of Human Cloning Bill 2002
enshrines respect for human dignity. It ensures
that scientific developments in reproductive tech-
nology will not forge ahead without regard to
questions of ethics. It ensures that community
standards and ethical values will be upheld.

Debate (on motion by Senator Buckland)
adjourned.

COMMITTEES
Employment, Workplace Relations and
Education References Committee
Reference
Senator CARR (Victoria) (5.33 p.m.)—I
move:
(1) That the following matter be referred to the
Employment, Workplace Relations and Edu-
cation References Committee, for inquiry
and report by the fifth day of sitting in Feb-
uary 2003:
The refusal, in the statement made in the
Senate on 26 August 2002 on behalf of
the Minister for Education, Science and
Training, to respond to the order of the
Senate of 21 August 2002 for docu-
ments relating to financial information
concerning higher education, and the
justification for that refusal.
(2) That the committee, in considering this mat-
ter:
(a) call appropriate officers of the Depart-
ment of Education, Science and Training
to provide explanations of the informa-
tion and the department’s reasons for
considering that the information should
remain secret;
(b) call appropriate officers of other de-
partments, including the Departments of
Prime Minister and Cabinet, Treasury
and Finance, to give other relevant evi-
dence; and
(c) hear other witnesses with relevant evi-
dence on the finances of higher educa-
tion institutions.
(3) That the committee seek all relevant advice
from the Auditor-General.

The documents referred to in the Senate or-
der of 21 August went to the financial health
of the higher education system in Australia.
As the Sydney Morning Herald’s editorial of
29 August pointed out, those were the docu-
ments that basically identified:
... how much money the universities have, where
it comes from and how it will be spent.
The editorial said that those are documents
that will:
... illuminate the sensitive issues such as staff-
student ratios and numbers of fee-paying stu-
dents. Overall, they would indicate the financial
health or otherwise of the university sector. Un-
like the universities’ annual reports, they would
reveal where these institutions are going, not
merely where they have been. This, the Opposi-
tion rightly argues, is something the public is
entitled to know when the universities are draw-
ing about $3 billion a year from the public purse.
The Sydney Morning Herald summed up the
argument quite clearly there. We have a
situation where the Senate has been denied
basic information about how our university
system is functioning and about how the
system is able to cope financially with the
enormous pressures that governments have
placed upon it. The Senate has been denied
this information which the government ac-
knowledges it has and which is produced by
the government through its normal proc-
esses. This is information, of course, which
is provided in part and required by law to be
provided under the Higher Education Fund-
ing Act and which is also provided to the
department as a condition of Commonwealth
grants to universities.

So we have a situation here where the
government is saying that it has the informa-
tion. It is saying, ‘We produce this informa-
tion and we give it to the universities every
year in the profiles discussions.’ I sought,
especially, a set of four-page tables for each
of the institutions. In the Senate estimates
hearings of 6 June, I said:
... I would like for you now to provide the Senate
estimates committee with a copy of the forward
projections for the current triennium on the oper-
at ing results for each of the higher education in-
stitutions in Australia.
I have also asked for minutes of meetings
that are held between departmental officers
and universities. Why have I done this? I
think it is important for this parliament to
know just how universities are faring at the
moment. At a time when the government has
launched a major policy review I think it is only reasonable that there be a serious discussion about that process. In my judgment, there cannot be a serious discussion about such an important matter unless basic information is provided about the financial health of our universities. That is, in essence, what this story is about. We have asked that documents be provided, and the government has responded to me through the Secretary of the Department of Education, Science and Training in a letter dated 12 August. It says: Much—

and I emphasise the word ‘much’—

of the education profile information provided by institutions is information that is inherently commercial-in-confidence ...

So the government acknowledges that not all of the information that I am seeking is in fact commercial-in-confidence. However, the letter goes on to argue:

The public release of the information itself, or the departmental future projections which are based upon the information provided to the Department, may, amongst other things:

give incorrect and misleading pictures of the present and future financial health of institutions (especially if the information is incomplete or misinterpreted).

It is an extraordinary proposition for a departmental secretary to be telling this parliament that the department operates on inaccurate, misleading information or that we do not have the wit and wisdom to understand it. Essentially, that is the argument that is being put to us. The second point that follows says the information may:

provide a point of comparison and thus marketing opportunities for competitor institutions.

All of this information is published retrospectively. Presumably, if it is commercial-in-confidence now, it suddenly no longer becomes commercial-in-confidence in a year’s time or in two years time. All of it, as I said, is published retrospectively. The concern that the opposition has is that this information should be made available because it tells us about the future, not about the past. The final point that the department argues is that, were this information provided to the Senate, it would:

adversely affect Australia’s reputation internationally as a provider of quality education to overseas students ...

This is an amazing proposition. The Clerk of the Senate has pointed out to us that this is essentially the LAPD excuse—that is, as the Mayor of the Los Angeles City District reportedly said, the public cannot be told about offences committed by the LA police because such a knowledge would undermine confidence in the police force. That is the same sort of proposition that we have been asked to accept here. The proposition does not claim that there is no such thing as commercial-in-confidence. We say, however, that the proper basis for the claim of commercial-in-confidence is that the disclosure would cause some damage to a commercial interest.

The Auditor-General told us in audit report No. 8 2002-03, which just 10 minutes ago was tabled here in this chamber, that in that regard there is a reverse onus of principle applying. On page 83 of the report, he said:

... confidentiality is not justified unless there are good reasons for confidentiality. The onus is on the agency to justify the use of confidentiality.

He further said:

Parliament has wide powers of access to information. The claim of confidentiality in itself does not prevent a parliamentary committee having access to the material as committees generally have the power to require a person to produce information and documents.

There may be circumstances where a Minister may claim that the public interest may be harmed if confidential information is disclosed.

We acknowledge that. The truth of the matter is, though, that it is up to the government now to demonstrate its claim. This Senate inquiry will be able to provide that opportunity. We will ask the universities directly:

‘What is so secret about this material that you publish it in your annual reports, in your departmental financial statistics, in the students statistics and in various other published forms, year in, year out, but you cannot give it to the Senate now?’ I will ask the Auditor-General: ‘What is so secret and sensitive about this information that would prevent a proper disclosure of this information to the parliament?’ I think we are entitled to know the answers to those questions. How does it apply to the rest of government?
The sneaking suspicion I have is that the government, despite its claim that it wants an open debate about the future of higher education, wants to keep these things secret because it fears public knowledge of the crisis in the higher education system in this country. That is essentially the claim—that is, the government is trying to hide behind the cloak of commercial-in-confidence. It is a claim that we say cannot be justified on the basis of what we have been told so far. Perhaps there is some secret material that we do not know about. Perhaps some extraordinary logic can be demonstrated to us that this information is so secret and sensitive that it cannot be made available to the public and that we should wait a couple of years before it is made available to the public.

We have a situation where the Senate has been asked to look into what the government’s claims are with regard to its refusal to deal with the return to order. In terms of the Senate’s right to ask for documents, one of our problems is that, if the government simply treats the Senate with contempt and it refuses, then, as argued amongst some smar- ties in the government, there is not much that can be done. There is a longstanding dispute or argument or debate within this chamber about how you respond to a situation where the government basically thumbs its nose at a return to order. Various opportunities are available to the opposition. It may move a censure motion or some other form of action against the government in terms of the operation of this chamber. What I have proposed here is a bit innovative. I acknowledge that, and no doubt I will hear from Senator Alston about how unprecedented this action is. The opportunity is there. It is an approach that we are taking to seek from the government an explanation of what we regard as a contemptuous and politically inspired attitude designed to hide behind the cloak of commercial-in-confidence in a bid to avoid public scrutiny on these important matters.

We have agreed amongst ourselves not to spend a lot of time on this today. As I understand it, the government has basically acknowledged that this motion will be carried today. I trust that the government will approach this inquiry with the spirit in which it is intended and that it will provide this information. That will close it down very quickly. All the government has to do here is to acknowledge that it has the documents—which, of course, it does not—but I have tried to table some of the documents on a number of occasions. I will seek leave again today to table the documents that I have shown the government in the past, and many others around the chamber can provide documents from the rest of the higher education sector which provide details, in particular, of the government’s projections on the future health of the higher education sector. I seek leave to table these documents.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (5.44 p.m.)—I have an objection. He has been here only 10 years, and he still does not know that he is supposed to show them to the duty minister as a matter of etiquette so that we can get instructions. If he chooses not to do that, he faces the consequences.

Leave not granted.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (5.44 p.m.)—The government acknowledges the right of the Senate to seek information to assist in its deliberations; this is reflected in the significant number of orders for the production of documents that are complied with. However, it should be noted that the use of orders for the production of documents has increased considerably over recent years. This is particularly so in the figures for the year to date. Often the orders seek large volumes of information and impose unrealistically tight time frames. The result has been significantly increased administrative costs and the diversion of officers from other tasks. The government already has set out its reasons for withholding the documents relating to the financial affairs of higher education institutions. These reasons we believe to be reasonable and cogent and compelling. Moreover, as the Senate was advised on 16 September, the minister is willing to write to all third parties, the vice-chancellors, seeking agreement from each to provide their data to the Senate. Senator Carr’s motion requires officers of the De-
part of the audit profession over time from an emphasis on professional ethics to a more business-oriented focus. This focus on commercial imperatives has for some, it seems, taken precedence in recent years at the expense of good ethical practice. The same can be said for the business community where we have witnessed a decline in ethical practice and an abrogation of responsibilities and obligations to the broader community. In this light, an associated aim of the Committee’s recommendations is to promote enhanced ethical professional culture in the audit and accounting profession and the business community.

Of course the responsibility for corporate failures ultimately lies with a company’s management and directors. Nevertheless, the Committee considers investors should be able to retain a reasonable expectation that the statutory audit function will identify and highlight when a company may be in difficulty. In a broader sense, these failures also pointed to inadequacies of the corporate regulatory regime and the inadequate nature of corporate governance exercised by some in the business community.

Directors of publicly listed companies have clear responsibilities and obligations that must be met. Directors also need to have the appropriate skills, experience and support mechanisms to effectively analyse and verify information in order to be able to ask the right questions and make well-considered decisions. The Committee has previously inquired into these issues in the context of government business enterprises and maintains that the principles of that inquiry and the subsequent recommendations are generally applicable to the private sector. However, in the course of this inquiry the Committee did not receive enough evidence in this area to enable it to make a major statement at this time.

It is important to recognise that the Australian situation is not the same as that in the United States and we have not witnessed the same level of excesses that are being revealed in the US. The Committee is not convinced that an overly prescriptive reaction is warranted or appropriate. Rather, there needs to be an appropriate mix of principle and prescription. It is impossible to demand infallibility or implement a ‘zero-risk’ policy. Given the inherent risk of business and the need for risk to drive entrepreneurial activity, a risk management rather than a risk aversion approach is appropriate and increased accountability should be demanded of the corporate sector and audit profession.

The Committee’s findings are based on a number of observations of both the audit and accounting profession and the business community, which shaped the ensuing framework of recommendations. Our findings are also influenced by our longstanding involvement in corporate governance and the audit framework governing accountability in the public sector.

Current audit practice may be limited to an attestation that financial statements have been prepared according to accounting standards. In forming the opinion, the auditor does not necessarily explore broader issues that may impact on...
the on-going viability of a company, such as the adequacy of corporate governance practices, risk management and internal control processes.

In turn, because a company’s governance practices, risk management and internal control processes are not regularly and rigorously tested, their continued veracity and importance to the ongoing viability of the company may be overlooked.

Oversight of both audit firms and listed companies is deficient. There is very little transparency regarding the independence (and to a lesser extent competence) of the firms carrying out audits. In regard to listed entities there is a lack of, and incentives for, compliance with accounting standards. The recent spate of corporate earnings restatements demonstrates that, regardless of any changes in structure or functions, only concerted action to police management activities will address these problems.

There are also concerns regarding the lack of informative and timely information being made available to the market and a low level of public confidence (shared by some academics) in the veracity of the information produced by adhering to the accounting standards framework.

Broader reporting to incorporate governance practices, risk management and internal control processes require an appropriate framework against which these broader issues may be audited. This will force companies to pay due attention to their corporate governance principles and practices. In addition, it will provide more information to shareholders and other stakeholders.

Changes to the current unlimited liability environment are required to protect auditors if they are to comment on a broader range of issues.

Public confidence in the independence of audit opinions needs to be restored. This requires a mechanism to, in effect, ‘audit the auditor’ on matters of independence and competence.

Increased surveillance of compliance with accounting standards is required to ensure aggressive accounting practices are not used to mislead shareholders, even though such practices may be in accordance with current black letter requirements.

Better disclosure is required to improve the ability of the users of financial reports and the market in general to understand the companies they invest in, and in particular, the risks associated with those investments.

Our proposed solution is designed to address these issues and compel companies and auditors to enhance their management of corporate governance and audit independence. Rather than advocating prescriptive regulation and mandating arbitrary limits or benchmarks, the central element of our proposed reforms is to provide a framework enabling a broadening of the scope of the audit function to include, for example, corporate governance, risk management, internal control issues and other performance-type issues. To support this new framework and the process of management improvement (and to promote more transparency) we also propose an enhanced oversight role for the existing regulator, the Australian Securities and Investments Commission (ASIC).

The key findings and recommendations of the report include amending the Corporations Act 2001 to:

- require the Chief Executive Officer and Chief Financial Officer of a company to sign a statutory declaration that the company’s financial reports comply with the Corporations Act 2001 and are materially truthful and complete;
- require all publicly listed companies to have an audit committee of independent members;
- require audit firms to report annually to ASIC on independence issues;
- clarify the relationship between the need for financial statements to comply with accounting standards and provide a true and fair view; and include a general statement on audit independence.

In addition, we recommend that:

- the Financial Reporting Council develop a set of corporate governance standards, which would be given legislative backing in the Corporations Act 2001;
- the Australian Stock Exchange Listing Rules be amended to require additional reporting by companies;
- ASIC explore the cost and benefits of introducing performance audits in the private sector and in conjunction with the ASX, evaluate the costs and benefits of requiring pronouncements and other disclosures under the continuous disclosure listing rule to be subject to a credible degree of assurance; and
- a framework for protected (or whistleblower) disclosure be established in the Corporations Act 2001, including clear accountability mechanisms over the administration and management of disclosures.

In addition, the Committee was particularly attracted to the idea of Independence Boards within audit / accounting firms as proposed by Professor Keith Houghton. One of the ‘Big Four’ has proceeded with implementation of Professor Houghton’s proposal, one is seriously considering...
The JCPAA has a long history of actively seeking to strengthen the role and independence of the Commonwealth auditor as an essential agent of government accountability to the Parliament and ensuring good corporate governance in the public sector. This inquiry has been an opportunity for the Committee to bring its expertise in audit and corporate governance matters to bear on the issue of audit independence generally.

It is the Committee’s intention to maintain a watching brief on these important national issues. In conclusion I would like to thank the secretariat staff—Dr Margot Kerley, Adam Cunningham, Bill Bonney and Maria Pappas—for their hard work and commitment, and all those who have contributed to this important inquiry.

HEALTH INSURANCE: ANTICOMPETITIVE PRACTICES
Debate resumed.
Question agreed to.

HIGHER EDUCATION FUNDING AMENDMENT BILL 2002
HIGHER EDUCATION LEGISLATION AMENDMENT BILL (NO. 2) 2002
In Committee
(Quorum formed)
Consideration resumed from 29 August.

Senator CARR (Victoria) (5.51 p.m.)—by leave—I move opposition amendments (11), (12) and (13) on sheet 2592 together:
(11) Schedule 1, item 12, page 6 (after line 28), after the definition of institution, insert:


(12) Schedule 1, item 12, page 6 (after line 28), after the definition of institution, insert:

self-accrediting private institution is an eligible private institution:
(a) established under Federal, State or Territory legislation; and
(b) which appears in column 1 of the table in subsection 98AA(1).

These amendments follow the amendments that were dealt with the last time we were discussing the establishment of the criteria under which eligible private institutions can seek assistance through the provisions of this bill. ‘National Protocols’ are defined for the purposes of the particular clause. The reference to the national protocols is in connection with the non-self-accrediting institutions and the provision we want to see concerns the case for such particular institutions that are being debated, and that of course are non-accrediting.

We argue that it is important for the minister to satisfy himself that the courses in question actually meet the national protocols quality criteria. Self-accrediting private institutions are those established by state and territory legislation. Self-accrediting private institutions are now to be listed according to the amendment we have previously discussed, and we also seek that the non-self-accrediting institutions to be listed under the amendment be provided with some assurance—in fact that their students, and the Commonwealth, be provided with some assurance—that they indeed meet the national protocols criteria. There is no mechanism at the moment for that to be established and we want the minister to establish a panel to check their credentials vis-a-vis the national protocols.

Senator STOTT DESPOJA (South Australia) (5.53 p.m.)—The Australian Democrats support the opposition amendments before us to the Higher Education Funding Amendment Bill 2002. The amendments introduce relevant definitions to support the other amendments that have been moved by the Australian Labor Party that go to setting a quality and accreditation process in place. It is effectively the same as that which will apply under the national protocols. The Democrats agree with these amendments. We are conscious of the fact that the government
has objected to the opposition amendments. That is, it has objected to amendments designed to strengthen the accountability and quality requirements on private institutions accessing PELS—requirements that, I emphasise for the record, are already imposed on public institutions. So we are concerned about that distinction.

I am assuming that the government will reject the Senate amendments in the other place and I imagine the government hopes the Senate will not press these amendments. If the objection is to the additional level of reporting and administration in the amendments moved by Senator Carr on behalf of the opposition, then I am happy to indicate to the government that the Democrats may consider an alternative approach. For instance, in process terms, it would make sense to replace Senator Carr’s amendments with provisions that require, as a prerequisite but not a sufficient condition for accessing PELS, that only institutions that have been accredited after the relevant jurisdiction has enacted legislation enabling the national protocols may be placed on the relevant list. In such circumstances the chamber could decide, for example, not to press Senator Carr’s amendments, which will mean some delay before any institution could meet this prerequisite, or the chamber could choose to regard Senator Carr’s amendments as an interim measure only and apply a sunset provision. That is something we would consider to be an acceptable arrangement. Having said that, I repeat what I said in the earlier stages of the debate on this bill: we do not accept extending PELS to those private institutions, as a number of members of the chamber have made clear.

Senator NETTLE (New South Wales) (5.57 p.m.)—The Australian Greens will be supporting the opposition amendments to the Higher Education Funding Amendment Bill 2002, in recognition that they seek to bring accountability to private institutions to whom this bill is designed to extend PELS. In a similar way to the speaker before me, Senator Stott Despoja, the Greens do not accept this public subsidy going to these private institutions. We recognise that the amendments put forward by the opposition seek to improve this situation and increase accountability for these private institutions. We recognise that the amendments put forward by the opposition seek to improve this situation and increase accountability for these private institutions. While we will be supporting these amendments, we recognise that they do not go to the crux of this issue, which is more taxpayers’ money going into the pockets of private institutions.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (5.58 p.m.)—For the record, it does seem a bit puzzling that you have two speakers ideologically opposed to the very foundations of this higher education funding bill—one nonetheless wanting to move amendments to it and the other essentially saying that she will support amendments that she does not really believe in because she has a better approach to take. Both of them do not even address the central issue, which is that states have clear and unequivocal responsibility for the recognition and accreditation of higher education providers and courses. They have already approved these self-accrediting institutions, and all that Senator Stott Despoja is doing is foreshadowing that she will support amendments that she does not really believe in because she has a better approach to take. Both of them do not even address the central issue, which is that states have clear and unequivocal responsibility for the recognition and accreditation of higher education providers and courses. They have already approved these self-accrediting institutions, and all that Senator Stott Despoja is doing is foreshadowing that she would like them to go back and do it all over again but that, in the meantime, she would like what is a classic case of impractical and wasteful duplication to occur.
It is clear to us that, under these amendments, reference to the responsibility of the states and territories to accredit the higher education courses of non-self-accrediting institutions would be deleted and replaced with a requirement for the Commonwealth to satisfy itself that courses meet the quality criteria in the national protocols. These amendments challenge the authority of the states and territories in relation to the accreditation of higher education courses and are a blatant power grab for the Commonwealth. Senator Stott Despoja seems to implicitly acknowledge that and has a mechanism for requiring the states to go back and do it all over again, but I do not think it is appropriate or necessary for us to canvass something that she is merely foreshadowing she might raise at a later point. Beyond that, Senator Carr once again seems to be hell-bent on a vote of no confidence in all his state Labor colleagues in wanting to take over the administration and impose further burdens on Commonwealth taxpayers. That does not commend itself to the government.

Senator CARR (Victoria) (6.00 p.m.)—Senator Alston, I find your approach to the legislative process unusual. The normal practice for governments in this place is to seek to have legislation passed with some speed. You seem to try to be as provocative as you can and to make what are quite clearly mischievous and erroneous statements about the Labor Party’s position. What we discussed the last time this matter was before the chamber was the process that was actually undertaken in regard to the accreditation, particularly in South Australia, of a particular college. I thought, Minister, after a series of questions you were able to come to the realisation that the process was undertaken during the period of a conservative government—not a Labor government, a conservative government. That is the first point.

The second point is that the process actually went to the issue of vocational education standards. That difference may be a little difficult for you to grasp and it may be a little too subtle for you to appreciate, but I can assure you that in regard to higher education there is a difference between the sorts of programs that are run in the higher education sector and those that are run in the vocational educational sector.

These processes were undertaken in 1998—before the national protocols for the accreditation approval processes were signed off by the states. That is a simple point that you have missed. If need be, I will repeat it until it is clear. Obviously you are having trouble understanding me on this issue. It is no good your sitting around, abusing the Labor Party and claiming that we are attacking Labor governments, because that is not the case. We are attacking the bodgie processes that your conservative mates have managed to establish and get away with without proper accountability. We say that if you want to spend public money on higher education and if you want to get a public subsidy, we think it is important that you meet basic standards of quality and that there is an accountability mechanism, particularly given that this government has turned its back on the normal principles that one would expect when handing out public money, and that is of treating all players relatively equally. You are giving a market advantage to a particular group of people. That is the whole point of this, and I am afraid, Minister, it is a principle that you have failed to grasp: if you give a public subsidy, you are giving a commercial advantage to a couple of companies. It is appropriate that the public and particularly the Commonwealth parliament, which is appropriating this money, appreciate the basis on which this money is being appropriated.

Question agreed to.

Senator HARRIS (Queensland) (6.03 p.m.)—I move One Nation amendment (2) on sheet 2589, revised 2:

(2) Schedule 1, item 17, pages 7 and 8 (table items 2 and 4), omit the table items.

I believe the Democrats will move their amendment (3) concurrently with the One Nation amendment, as it is the same.
In speaking to the Higher Education Funding Amendment Bill 2002 and in moving this amendment, I want to make it very clear that One Nation strongly supports PELS, in line with the Australian Vice-Chancellors Committee’s recommendations. The AVCC’s submission to the Senate Employment, Workplace Relations and Education Legislation Committee states:

... the AVCC:

- supports PELS funding being available to students of Bond University and the Melbourne College of Divinity as self-accrediting higher education institutions.
- expresses concern at the extension of PELS to students at two non self-accrediting institutions in advance of the outcomes of the higher education review.

One Nation believes that this legislation should be revisited following the higher education review outcomes which are expected later this year or early next year, therefore we are opposing this item. If the intention of the legislation is to treat all non-government higher education providers equally, it should be asked why those four institutions have been singled out, as other non-government bodies provide equivalent courses. Providing access to the scheme for some non-accrediting institutions but not for others is hardly the level playing field or the purported utopia that the government aspires to. It is inevitable that there will be pressure from other non-self-accrediting institutions for a further expansion of PELS. One Nation supports PELS funding being available to the students of Bond University and the Melbourne College of Divinity, as they are self-accrediting higher education institutions. We have concerns over the extension of PELS to students at the other two non-self-accrediting institutions in advance of the outcomes of the higher education review.

Clearly, we are saying that we support the process of PELS and we are not against the non-self-accrediting institutions being funded. One Nation clearly believes that there will be another process through which the government will be able to fund those non-self-accrediting institutions. There is approximately $18.5 million available in this appropriation for the PELS process. The concern is that that would ultimately be diluted by other non-self-accrediting institutions making applications to also be part of the PELS process. It is with that process in mind that One Nation moves this amendment to the government’s legislation.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.08 p.m.)—I would like to indicate briefly that I understand what Senator Harris has in mind. However, the government is concerned to ensure that we honour our election commitments and then all of these matters can be looked at in the review process. If we wanted to have second thoughts about any aspect of higher education, that would be the time to do that. You can say logically, 'Well, don't bother with your election commitment now; just wait until the review occurs.’ In some circumstances, that is quite logical. However, we prefer to honour our election commitments whenever we can and we are proceeding with these matters on that basis.

Senator STOTT DESPOJA (South Australia) (6.09 p.m.)—I am not sure whether this is a practical suggestion but, through you, Temporary Chairman Sandy Macdonald, to Senator Harris, I wonder whether it would be appropriate to seek leave to follow this course: Senator Harris is quite right that the Democrat amendment (3) is identical to the One Nation amendment (2). Would that not be better dealt with the last amendments on the running sheet? Once again, we have identical amendments which relate to whether the two institutions are included, while the amendment we are considering now merely relates to the definition and the discussion about definitions. Could we deal with the amendments on bloc at the end of the running order? I had intended to seek leave to move that amendment.

The TEMPORARY CHAIRMAN—Do you wish to postpone it?

Senator STOTT DESPOJA—That is my preference. I seek leave to do that with the Democrat amendment and, through you, Mr Temporary Chairman, I am looking to Senator Harris for agreement?
The TEMPORARY CHAIRMAN—Are you happy to do that, Senator Harris?

Senator Harris—Yes.

Leave granted.

Senator CARR (Victoria) (6.11 p.m.)—I move opposition amendment (8) on sheet 2592:

(8) Schedule 1, item 17, page 7 (line 24) to page 8 (before line 1), omit subsection 98AA(1), substitute:

(1) For the purposes of this Chapter, an eligible private institution is an institution of higher education specified in the following table:

<table>
<thead>
<tr>
<th>Eligible private institutions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Column 1</strong></td>
<td><strong>Column 2</strong></td>
</tr>
<tr>
<td>Self-accrediting private institution</td>
<td>non-self accrediting private institution</td>
</tr>
<tr>
<td>Bond University (Queensland)</td>
<td>Christian Heritage College (Queensland)</td>
</tr>
<tr>
<td>Melbourne College of Divinity (South Australia)</td>
<td>Tabor College (South Australia)</td>
</tr>
</tbody>
</table>

This amendment rejigs the table in the Higher Education Funding Act to recognise that there should be two distinct categories of institutions, one for self-accrediting and one for non-self-accrediting institutions. The rationale for this is the concern about the credentials and, once again, the question of the quality, probity and accountability of the non-self-accrediting institutions.

As I have indicated in the past, our concern is not just that the courses themselves be accredited but that the institutions be registered in such a way as to make sure that there are adequate libraries and other facilities, services and so on so that we can be sure that students are not disadvantaged by studying at a particular institution. We argue that there is a need for a whole of institution perspective about the way in which a particular provider would enter into the higher education system, including admissions criteria, governance, financial structures and their probity arrangements. These issues are part and parcel of the everyday work of the higher education system in this country. They are the methods by which all public institutions are obliged to respond, and I think it is reasonable that a similar standard should apply to the private institutions that are seeking subsidies from the Commonwealth in that regard.

The processes we are arguing are outlined through the national protocols. We would like to ensure that the institutions that are seeking these public subsidies comply with the national protocols, and that in particular the non-self-accrediting institutions are able to demonstrate that they can meet those criteria. After all, some of their accreditation processes were undertaken some years ago, and well before these protocols were established.

Senator STOTT DESPOJA (South Australia) (6.13 p.m.)—The Australian Democrats will be supporting this amendment. It replaces the proposed table of eligible unfunded institutions with a table entitled, ‘Eligible private institutions.’ In part I suppose this is a semantic exercise but, despite protestations from the minister, it recognises the reality that PELS is an indirect subsidy to these institutions. It achieves this by providing a mechanism that is likely to increase demand and, more pertinently, it gives these institutions a mechanism by which they can increase fees. We have already seen this in operation in the public universities. For example, the University of Melbourne is increasing its postgraduate course work fees for 2003 by 20 per cent on average, and some rises, as I have referred to before, are as high as a staggering 57 per cent.

As I have already noted, the Australian College of Theology, a private provider, have told the Senate inquiry into this legislation:

Access to PELS will enable institutions to underwrite their commitment to research more freely, knowing that full-time students can defer the payment of their fees until they are in the work force.

That is what they said in their submission to the inquiry. This is not in any way ambiguous. The meaning, the intent, is quite clear: ‘If we private providers can access PELS, we can put our prices up.’ So when people in the chamber are debating the issue as to whether or not this is a subsidy to private institutions, even though the government may want to be a little hazy about its ramifications, they should know that certainly the private pro-
providers who have been lobbying are in no way uncertain.

To the extent that the opposition’s proposed amendment more accurately reflects what is at stake, the Democrats will be supporting the amendment before us. The opposition’s amendment also makes a distinction between self-accrediting and non-self-accrediting institutions. ‘It doesn’t matter’—obviously we think it does matter. The Democrats think that the government’s rationale for including two self-accrediting institutions is weak. We do not consider that giving them access to PELS, just so all self-accrediting institutions can compete equally for postgraduate fee-paying students, is a particularly credible argument. It is a level playing field argument which conveniently ignores that there are fewer onerous requirements on Bond and Melbourne College of Divinity in their establishing acts and that it is less rigorous than would apply to other academic and obviously public institutions. However, we do accept, as I pointed out in my comments in the second reading debate and in previous comments on this bill, that Bond and MCD are credible institutions. MCD has had a long formal relationship with the University of Melbourne since 1993. Bond University could plausibly argue it has a stronger research and academic culture than, say, Notre Dame.

Tabor and Christian Heritage, the non-self-accrediting private institutions, have not come through the new framework, the MCEETYA national protocols. It is worth noting, given the minister’s previous comments in response to my contribution on Senator Carr’s amendments (11) to (13), which we have dealt with, that not only does Tabor’s accreditation in 1998 predate the national protocols by three years but Tabor was not accredited as a higher education institution but as a vocational education institution. So I remind the government and the minister in particular that the rationale for instigating the national protocols was to overcome inconsistencies in approach and rigour among jurisdictions. It is widely held in the sector that South Australia, my home state, and the Northern Territory were weak links—and, quite frankly, remain weak links—in the absence of legislation to bring their processes in line with the national protocols. As I have previously stated on behalf of the Australian Democrats, that makes no particular claim on Tabor, but it would be complacent to simply extend PELS to institutions that were not considered in terms of the national protocols.

I find it strange and an interesting attack on the Democrat role in this process, particularly given our willingness certainly in relation to the last set of amendments to be flexible and to work with the government, that Senator Alston just comes back with comments about duplication and bureaucracy et cetera. Thus I do not think there is a willingness by the minister to look at proposals that would strengthen accountability arrangements. Certainly there is not a recognition by the government that, with the examples we are dealing with, their accreditation processes predate the national protocols to which we have all referred. So the Australian Democrats will be supporting the Labor amendment before us, and once again we express our concern over the government’s attitude to the bill and, in particular, the views of the minister in this committee stage.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.19 p.m.)—I thought that we had made this point on the last occasion, but Senator Stott Despoja seems keen to keep asserting that the institutions themselves have not been accredited since 1998. The fact is that it is the courses—and I do not know whether Senator Stott Despoja is interested in this point—

Senator Stott Despoja—I am. I can hear you.

Senator ALSTON—All right. It is the courses that are accredited. Once those courses are accredited, then the institutions are eligible for PELS funding. So that is what is being accredited, and that is what does not therefore need to be duplicated.

Question agreed to.

Senator CARR (Victoria) (6.20 p.m.)—I move opposition amendment (14) on sheet 2592:
(14) Schedule 1, item 20, page 9 (lines 9 to 16),
omit section 98JA, substitute:

98JA Eligible private institution to include information in annual report

(1) The Minister must, as soon as practicable after the end of 30 June in each year, cause an annual report to be prepared by each eligible private institution that offers an eligible postgraduate course of study. The annual report must include (but is not limited to):

(a) evidence that the course requirements and learning outcomes are comparable to those of a similar field of study at an Australian university;
(b) evidence of staff quality, qualifications, research output, refereed research publications and citation indices;
(c) institutional governance, facilities and student services;
(d) financial status and operation;
(e) staff and student data;
(f) equity plans and outcomes, for students and staff;
(g) planning data.

(2) The Minister must cause copies of any annual report prepared under subsection (1) to be laid before each House of Parliament within 15 sitting days of that House after completion of the annual report.

This was an issue that we did explore in some detail in the Senate committee. I think it is a matter of some significance that if we are handing out significant sums in public subsidies to private institutions it is incumbent upon those institutions to meet the accountability requirements that go with the spending of public moneys. I do not see how there can seriously be an argument against such a proposition. In fact, as it was before the committee, we were not provided with one. I asked the four institutions that are seeking this public assistance directly about their accountability requirements, and only Bond University expressed reservations. Of course, under the present arrangements they already have to meet a number of quite significant public accountability requirements. It is not clear, however, whether or not Bond would necessarily object to this provision. I do not think it was stated that they would actually object to this provision. What they said was that they had some reservations about the full implications of it. In regard to Tabor College, I asked a direct question: ‘If you want public subsidy, would you support being accountable like the rest of the higher education sector?’ Reverend Slape said:

... I do not believe we would have any problems with that.

For those who want to check the Hansard, that can be found in the transcript of evidence on page 8. Pastor Millis, from the Christian Heritage College, said:

We would have no problem—

and I want to emphasise that—

with further measures of public accountability to the Commonwealth in relation to participation in PELS.

Again, that quote is to be found in the transcript of evidence on page 8. The Melbourne College of Divinity is already under the aegis of the AUQA and of course meets the normal requirements through its association with Melbourne University, so I do not think for a moment there is any question about their willingness to comply with the normal public accountability mechanisms and the normal quality assurance provisions that one would expect from any institution in receipt of public moneys.
It is a pretty basic principle: to protect the quality of the higher education system as a whole, it is important that the Commonwealth be able to satisfy itself that the system is uniformly of a high quality and that, in particular, students are protected. It is not just about the whole education system and the reputation upon which I think the higher education system rests in this country—that is, that Australian education is regarded internationally to be of high quality—but also about individual students having some assurance that they are getting a reasonable quality of service. This provision essentially calls upon these providers to acknowledge that public subsidy brings with it public responsibility and that that means there is an obligation to actually fulfil the same standards that all other educational providers are required by the Higher Education Funding Act to fulfil.

I will be interested to hear what the government has to say on this matter. Nonetheless, one never ceases to be surprised by the government’s willingness to run away from its obligations. It is a disappointment to me, but I suppose it happens all too often now. One gets used to the failure of this government to measure up to its commitments and its responsibilities to protect education and to ensure that there is a quality assurance regime in place that actually means something. But we will wait. Perhaps I will be surprised: perhaps the government will acknowledge its responsibilities. It would be the first time ever, but perhaps this time the government will acknowledge its responsibilities and support this amendment.

Senator STOTT DESPOJA (South Australia) (6.25 p.m.)—The Australian Democrats consider these to be appropriate requirements, so we will be supporting the amendment before the chair. Amendment (14) not only requires a systematic approach to reporting evidence—and I stress the word ‘evidence’—of staff qualifications, research output, institutional governance, equity plans, outcomes and the like but also requires that these reports be placed in the public domain on an annual basis. I note in the transcript of the committee hearings that the three colleges were quite sanguine about the proposition that they should accept appropriate levels of accountability.

Senator Carr—I think they would welcome them—I think they would!

Senator STOTT DESPOJA—The irrepressible Senator Carr suggests that they would welcome them. Certainly, I am sure we are not misrepresenting them when we say that they did respect the fact that they should accept appropriate levels of accountability as part of gaining access to publicly funded schemes. I presume that they would have no problem with the intent, and presumably the letter, of the amendment put forward by Senator Carr on behalf of the opposition. Bond University’s concerns went to their independence in the profiles process, which, as I think most people would recognise, is a somewhat different matter.

Earlier in this debate I outlined the Democrats’ concern that Christian Heritage College and Tabor College made claims about their research capabilities but could not provide any evidence to substantiate their assertions. Our concerns went particularly to education as a discipline—and remember, provision of teacher training is the core rationale that we have heard from this government for the inclusion of these two non-self-accrediting institutions. Education, as many people would know, has a relatively high level of research compared to many other disciplines. Comparability with university education is a key component of course accreditation for non-university providers by state and territory authorities. Among other things, amendment (14) from Senator Carr provides some focus on some of the features that we associate with a degree of research intensity, and the Australian Democrats applaud that. If the government does not support this amendment, we can only assume that they do not take seriously that nexus of teaching and research in our university institutions.

I know that Senator Tierney made some references to my comments about this in his response during the second reading debate. He gave us some nice homilies about the slow development of research in Australia and how Sydney University did not offer qualifications for a masters until after World
War II—indeed, to be more precise, the first PhDs in Australia were not awarded until 1948 at the University of Melbourne. He told us how long it took the University of New South Wales to achieve its high reputation based on its research outputs. Senator Tierney’s basic point, I believe, was that universities take a long time to evolve and that they require government support, and he stated that this is what the bill is proposing.

I agree that it does take some time to develop a university and that it requires public investment, but Senator Tierney is totally wrong in saying that that is what this bill is about; it is not. The bill is not proposing to give these institutions a bit of public help to help them along the so-called evolutionary path to being a university. That argument may have some legs for Bond University and MCD in relation to the Australian Research Council (Consequential and Transitional Provisions) Bill, which we passed last year—and I hope the government recognise that the Australian Democrats have worked with them on those issues—which enables these two institutions to access competitive schemes for research and research education. However, other than as a response to lobbying, it is not at all clear why the government are privileging Tabor College and Christian Heritage College, as the stated objective of supporting the provision of teacher education for non-Catholic Christian schools has been shown to be a furphy. I demonstrated in my speech at the second reading stage that that rationale was not supported.

In effect, this bill waters down any distinctive features, such as the nexus of teaching and research, that may be attributed to universities. It essentially says, ‘We don’t really care who provides postgraduate coursework, provided they jump through a few hoops’—hoops which, by the bye, are not commensurate with the national protocols that all jurisdictions have signed off on. Whether the nexus of teaching and research is, or should be, a defining characteristic of university education relative to other post-compulsory providers is a different and important question, and it is one that I raised in the second reading debate. I am well aware that, as Senator Tierney has pointed out, CAEs did little research, because of a lack of funding, until the Dawkins reforms—and I am not going to get into a debate about the unified national system versus the binary divide. But, if Senator Tierney is really saying that you do not need to have research and teaching institutions, I remind him that that view has evolved too. There is an expectation that universities do research and that lecturers inform their teaching by being active researchers. Whether this expectation is fully justified is another—and very important—matter, and one that is rightly canvassed in two of the publications supporting Minister Nelson’s review process.

As I raised my point in the context of education, I note that concerns have been raised that some of the research carried out in education faculties does not feed back into teaching practice—that some of the research does not contribute to good teaching in those faculties. I am also well aware that, in the current funding model, research is one area in which universities can gain additional funding. To maximise resources in a period of great scarcity, many universities have opted to establish research centres or institutions that rarely interact with teaching in their disciplines—that is, universities themselves have to some extent broken away from the commitment to the nexus of teaching and research. My core point is that this bill does take a position on research and teaching and, in doing so, pre-empts mature and explicit consideration. The Democrats are saying, when we raise these concerns, that we do not think such a crucial set of questions about what we as a community expect from universities should be answered by poorly conceived policy.

If the government is saying, ‘You don’t really need research to feed into teaching,’ if it is presuming that institutions that have no research profile produce the same outcomes for students as institutions that do, then fine—put it on the table. Let us have this discussion, Senator Alston, if that is your view, if that is your rationale and belief. Let us examine the evidence and think about this carefully. But the government has not done that—certainly Minister Alston has not done that—and, in the absence of that discussion,
the Democrats are not going to give up defending the distinctiveness, that special character, of what constitutes universities, and specifically public institutions. To the extent that Senator Carr’s amendment will bring some focus to bear on systematic accountability of research outputs along with a range of other, equally important, accountability measures, we will support this amendment. Ironically, perhaps, this is a conservative amendment. I am not sure if Senator Carr will accept being described as moving a conservative amendment.

Senator Jacinta Collins—He’s very conservative.

Senator Carr—Moderate, in fact. What’s wrong with that?

Senator STOTT DESPOJA—Now he is listening. Do not get too sad, Senator Carr, you have our support. But it is a conservative amendment, because it says that we believe there are characteristics of university education worth defending and that these need to be accounted for in the public domain when they involve public investment.

Senator Carr—With this government that’s very radical. They don’t believe it.

Senator STOTT DESPOJA—Indeed. The Democrats will not be resiling from that defence and, insofar as Senator Carr’s amendment does some of its stated aims and some of those to which I have referred, we will be supporting it.

Senator ALSTON (Victoria—Deputy Leader of the Government in the Senate) (6.35 p.m.)—I hesitate to rise to speak for fear of provoking Senator Carr, but I will need to at least state the government’s position for the record.

Senator Carr—You’re going to confess now, are you?

Senator ALSTON—I do confess to being somewhat bemused by the Alice in Wonderland contribution which has the conservatives on that side of the chamber. I do not quite know where that leaves us. I suppose we will have to go off and form a new party to properly describe ourselves. I just warn you that you are leaving a massive gap for the Greens and their ilk if you are the conservatives. Presumably they will have the middle ground, by your definition, so there will have to be someone even more radical than them in due course.

I thought what Senator Carr said at the beginning was very enlightening. He first used the term ‘device’ and then said that this could be described as requiring annual reports. What he should have gone on to say is that this could also be described as requiring annual accreditation. The fact is that accreditation is a state responsibility. It is essentially a five-year process. To convert it into an annual process would be to subvert the whole purpose of, and justification for, the current regime. We believe the use of the quality assurance criteria as a template for annual reporting is a serious misuse of the criteria. There are public institutions that are already required to provide specific information in relation to their obligations. They provide financial statements and statistical data which reflect their levels of responsibility to the Commonwealth for particular funding that they receive, but they do not receive across-the-board assistance like operating grants, which apply to many other institutions, and, as a result, their reporting obligations are less. What Senator Carr would now do is basically throw out the AUQA regime, which imposes quality accreditation and operates to ensure that the state accreditation processes are up to scratch. He would essentially say, ‘The Commonwealth should do that for them.’

As I understood Senator Stott Despoja, apart from an impassioned plea about the importance of universities, her only real reason for supporting Senator Carr is that she believes in systematic accountability. Systematic accountability which displaces an arrangement that is currently working effectively and which converts five-year state accreditation into de facto annual accreditation is not justified. I am not aware that the states concede that they are somehow inadequate or that AUQA thinks that the states have failed and are beyond redemption. The fact is that it is simply an attempt to impose another Commonwealth regime over the top of an already properly functioning state regime. I hope that I have made it clear that we do not
regard this as an acceptable outcome in any shape or form. We will not be supporting it.

Senator CARR (Victoria) (6.38 p.m.)—I think that some matters there do require further attention. Firstly, the issue arises as to whether or not the opposition is conservative in these matters. I think it is appropriate that the opposition restates its commitment to the fundamental principles of a high-quality public education system. Those principles are outlined in the national protocols and they demonstrate the need for an approach to higher education that acknowledges the value of research and teaching. These are basic premises for a reasonable education system, I would have thought, yet this government does not accept them. If we want to know who the radicals are in this parliament, they are the government—the radical right—which seek to destroy the commitments to a quality education system that this country has built up. In fact, they seek to undermine the fundamental principles of a high-quality public education system and to increase elements from the private sector in the higher education system.

The minister pointed out that I used the word ‘device’. As usual, he took my words out of context. We are talking here about a device, instrument or mechanism—a legislative form—to provide a vehicle by which the parliament can require reasonable accountability mechanisms. It is not a device to have a reassessment or reaccreditation on an annual basis. I would have thought that the army of advisers that are available to the minister would have at least pointed that out to him. Institutions around this country provide annual reports. The various documents that are tabled here in the parliament, through to the department and through to the government, provide advice on a whole range of matters such as their research profile and their capacity to meet their targeted equity programs—how they are treating Aboriginals, for instance, and other fundamental principles: the number of women that are participating in the institutions. These are basic things provided by every other institution in this country, but this government says they should not be provided by a couple of these colleges that are coming forward now. They are faith based colleges. Are they outside the normal accountability mechanisms? Are they outside the normal provisions that one would expect for any reasonable higher education institution? The suggestion that the minister seems to have made here today is that somehow or other it is unreasonable for the opposition to suggest that, if you are in receipt of public money, you should be accountable for the way in which you spend that money.

There are some fundamental principles that we seek to adhere to in this country in our higher education system. They go to basic issues about not being discriminatory, about making sure that everyone gets a fair go, about making sure that we have quality research programs and about making sure that public money is not misspent. These are basic issues. I would have thought that there should be no argument about it. But, again, one never ceases to wonder at the capacity of this government to drop the ball when it comes to its responsibilities. I am afraid that either the minister has yet again demonstrated he is not able to understand the advice he has been given or he reflects a government policy which seeks to undermine those principles that we have regarded as being basic to the education system in this country.

Senator STOTT DESPOJA (South Australia) (6.42 p.m.)—I have a question for the minister in relation to his comments on the Australian University Quality Agency. You suggested that that agency provides accreditation on quality. I am wondering if you could explain to the committee whether or not this is an expansion of the agency’s role. Is the agency not set up to play a role in the assessment of quality assurance processes? My understanding is that there is no role for the agency in accreditation. Could you clarify that for the record?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.43 p.m.)—As I understand it, it has a responsibility to audit existing state accreditation processes.

Senator NETTLE (New South Wales) (6.43 p.m.)—The Australian Greens will be supporting the opposition amendment, but
we will be supporting it in the context of it being the best of a bad bunch or better than the status quo in the government’s legislation. As has arisen previously in this discussion, we question the ability of this government in particular to assess the quality of these private institutions through the annual reports that the opposition is proposing to have tabled before this parliament. We have heard Senator Carr’s concerns about these private institutions and we have heard him articulate the ALP’s commitment to public education and public universities in particular. The Greens share this commitment to public education and public universities, which is why we are somewhat disappointed that the Australian Labor Party has not seen fit to take that one step further and support and pursue the Australian Greens’ amendments which truly take that full step of supporting public education by excluding the PELS section of this bill.

Senator Stott Despoja—There’s still time.

Senator Nettle—That is right. There is still time for the opposition to show their true commitment to public education by supporting the Australian Greens’ amendments when they come before this chamber. We understand that, with amendments to come before this chamber shortly on the issue of PELS generally, it is difficult for the Australian Labor Party to oppose this extension of a public subsidy to private institutions. The reason is that they have had situations where their own frontbenchers have had institutions within their electorates which have caused them to perhaps not be able to articulate as strong a voice for public education as certainly the public education sector and the Greens would like to see articulated in this chamber by the opposition. We will move on to those issues when we go through to further amendments that are up for discussion on this piece of legislation.

Whilst we recognise the flaws in the proposed amendments, the Australian Greens will be supporting them as the best of a bad bunch. We would much rather see a full commitment from the Australian Labor Party to support public education in its entirety by voting for the Australian Greens’ amendments which will be moved later in this discussion.

The TEMPORARY CHAIRMAN (Senator Sandy Macdonald)—The question is that opposition amendment (14) on sheet 2592 be agreed to.

The committee divided. [6.51 p.m.]

(AThe Chairman—Senator J.J. Hogg)

Ayes……………… 35
Noes……………… 28
Majority………. 7

AYES
Allison, L.F.  Bartlett, A.J.J.
Bishop, T.M.  Brown, B.J.
Buckland, G.  Campbell, G.
Carr, K.J.  Cherry, J.C.
Collins, J.M.A.  Crossin, P.M.
Denman, K.J.  Evans, C.V.
Forshaw, M.G.  Greig, B.
Hogg, J.J.  Hutchins, S.P.
Kirk, L.  Lees, M.H.
Ludwig, J.W.  Lundy, K.A.
Mackay, S.M.  Marshall, G.
McLucas, J.E.  Moore, C.
Murphy, S.M.  Murray, A.J.M.
Nettle, K.  O’Brien, K.W.K.
Ray, R.F.  Ridgeway, A.D.
Sherry, N.J.  Stephens, U.
Stott Despoja, N.  Webber, R.
Wong, P.  

NOES
Abetz, E.  Alston, R.K.R.
Barnett, G.  Brandis, G.H.
Calvert, P.H.  Campbell, I.G.
Chapman, H.G.P.  Colbeck, R.
Cooman, H.L.  Eggleston, A. *
Ellison, C.M.  Ferguson, A.B.
Ferris, J.M.  Harradine, B.
Johnston, D.  Kemp, C.R.
Knowles, S.C.  Macdonald, J.A.L.
Mason, B.J.  McGauran, J.J.
Minchin, N.H.  Payne, M.A.
Reid, M.E.  Scullion, N.G.
Tienney, J.W.  Troeth, J.M.
Vanstone, A.E.  Watson, J.O.W.

PAIRS
Bolkus, N.  Boswell, R.L.D.
Conroy, S.M.  Heffernan, W.
Cook, P.F.S.  Lightfoot, P.R.
Faulkner, J.P.  Macdonald, I.

* denotes teller
Question agreed to.
Progress reported.

ADJOURNMENT
The ACTING DEPUTY PRESIDENT
(Senator Sandy Macdonald)—Order! There being no consideration of government documents, I propose the question:
That the Senate do now adjourn.

Foreign Affairs: Zimbabwe

Senator MOORE (Queensland) (6.56 p.m.)—I rise to make a few points about the facts regarding the unconstitutional land seizures in Zimbabwe. My first point is that Zimbabwe’s several hundred thousand commercial farm workers have been the greatest victims of this land reform process—losing their jobs, being driven from their homes and suffering most of the violence that has marked the Mugabe regime’s fast-track process. The second point is that the need for land redistribution has been accepted by all parties. The Commercial Farmers Union accepts it and has merely called for a process governed by the rule of law. The United Kingdom government accepts it and has offered millions of pounds to Mugabe in the Abuja agreement to purchase land for the redistribution.

The third point is that much of the land that has been seized from white farmers is not being given to the landless poor; instead, it is being corruptly seized by ZANU-PF officials, cabinet ministers and the family of the leader, either in their own names or via proxies. This land, the most fertile in a country that was once the breadbasket of South Africa, now lies fallow—the unused spoils of loot. But the final, most pertinent issue to the unconstitutional land seizure is that it is ultimately not about land. Mugabe has had plenty of opportunity to redistribute land. He has held power in Zimbabwe for 20 years and since 1984 has done nothing to redistribute land. Instead, land seizures are about punishing the white population of Zimbabwe for their support of the Mugabe government in opposing the leadership.

The broad coalition of the white farmers, the trade union movement, civil society movements and women has had the Mugabe government strictly petrified. As a result, Mugabe has set the ZANU-PF thugs and the war veterans against the farmers. The land distribution is not about land but a contrived act of political desperation. These land seizures have also exacerbated the effects of the current drought. In the cases where seized land had been planted—land that was once irrigated and productive during drought—there are now tiny rows of maize scattered here and there, dried and dead or dying because of lack of water and lack of production.

As a result, half the people in Zimbabwe now face starvation, whilst the government continues to prevent farmers from planting crops that could feed the country. The Mugabe regime sees the famine as a political opportunity, selectively granting precious maize meals to members of their own political following and to electorates that have returned the people that they wanted. The policy of selective starvation is horrific—an inhuman action by a regime that is not humane.

We have heard about the elections in Zimbabwe. These elections were not free, they were not fair and they were not democratic. The commitment to democracy of the people of Zimbabwe who waited peacefully and patiently in lines to vote was truly inspirational. They knew that Mugabe had closed almost half of the booths in the city areas to stop people from exercising their votes. They knew that he had unconstitutionally combined three elections into one to slow them down. They knew that the leader had ordered a go-slow so that not more than 30 votes were able to be processed per hour, in spite of thousands of people waiting outside. So committed were these people to democracy that the police had to use tear gas and batons to remove people from the lines before they could vote—they stood all night through Sunday waiting to have their vote—in spite of the fact that the Zimbabwe Electoral Act stated that the booths had to stay open so that all of those in the line in that period could vote. They waited, they stayed but they did not get the chance to vote.

The rorting of the elections was inspirational in another way. The rorts involved the arresting and torturing of MDC—the opposition party—polling agents. It is estimated
that in 52 per cent of rural polling stations
the MDC was not able to deploy people to
support the vote. There was violence and
arrests, a major miscounting of some half a
million votes, the disruption of major MDC
rallies and open attacks on the free press in-
cluding the bombing of the presses of the
only independent daily paper. These rorts
occurred against the backdrop of a nation-
wide campaign of terror. This was not a free
society; it was not a free vote.

The events of the 2002 presidential elec-
tions in Zimbabwe should and do concern
the peoples of all democratic countries
throughout the world, because we know that
when the freedom of one is taken away the
freedoms of us all are threatened. If we allow
the government in Zimbabwe to breach the
fundamental basis of authority, the votes of
their people, then we risk such events hap-
pening elsewhere. In Zimbabwe the rule of
law has been damaged severely. In March
2001 the International Bar Association stated
after a full fact-finding mission:

The Government’s refusal to obey the Courts’
orders is undermining the authority of the courts
and encouraging a culture of lawlessness in Zim-
babwe.

The government routinely ignores lawful
orders of the high and supreme courts and
often openly rejects them. This has led to
many of Zimbabwe’s respected independent
judiciary, including the chief justice, to re-
sign in protest that their role has been irre-
vocably compromised. The government at-
tacks opposition members with impunity
while the police stand by useless, stating that
they cannot get involved in political crimes.
Arrests, detention and torture of opposition
members has become routine, carried out
often on a Friday afternoon with the victim
then released on the Monday, if they are
lucky.

The attacks on the rule of law, the farming
sector and the people of Zimbabwe have, not
surprisingly, affected the economy, giving
Zimbabwe the fastest shrinking economy in
the world in 2000-01. National economic
output has declined by 11 per cent, down
from nine per cent in December 2001. Cereal
production in general and maize production
in particular have declined by 69 per cent
and 77 per cent respectively from the 2000-
01 production levels. The national currency
has been eroding faster than the regime can
print money. Spending on vital services such
as health and education has dwindled while
the associated cost to the individual has risen
astronomically over the last period of time.

In recent council elections, the same well
practised model of political violence contin-
ued and has been raised to a new level. The
actions of the Mugabe regime against the
Movement for Democratic Change have
continued. I am not good with stats, I think
they are misused all the time, but the num-
ers that have been quoted in Zimbabwe are
terrifying. People are getting hurt. In this
case it is useful to give some statistics to get
some idea of the level of violence. Some 20
MDC council candidates have been attacked
or detained and tortured by the ZANU-PF.
As a result, 46 candidates have withdrawn
due to fear for their lives and for their fami-
lies. At the same time, at least 70 candidates
have been arrested by police either on fraudulent charges or for merely daring to
run.

In the face of this tyranny, this litany of
violence and oppression, the Movement for
Democratic Change, the opposition party in
Zimbabwe, has not reacted with violence or
conflict. This is an example of patience and
tolerance that the international community
could learn from. They have not instigated
another cry for a bloody civil war; instead,
they have continued the struggle peacefully
against all of the forces of the state and the
atrocities that have been committed against
them. They have asked for the Common-
wealth and the United Nations to not stand
by and watch. They have asked for people to
assist them and not allow them to be starved
and murdered in their own country.

The MDC presidential candidate recently
called for the nations of the Commonwealth
to increase political and diplomatic pressure
on Mugabe. The governments of Africa can-
not afford to ignore what is happening in
Zimbabwe. In particular, the governments of
Nigeria and South Africa, the immediate past
chair of the Commonwealth Heads of Gov-
ernment Meeting and the incoming chair
must increase their pressure on Zimbabwe.
Neither our government nor, in particular, our Prime Minister, the current chair of CHOGM, should stand by. It saddens me that the Australian government has not yet implemented targeted sanctions against the leadership of this regime, the cabinet ministers and the arms dealers that are growing rich and fat on the fruits of dictatorship. Such sanctions would not harm Australian trade or the citizens of Zimbabwe; indeed, they would benefit a just fight for democracy. I hope that we will not have to wait much longer before our government will act to implement the simple task of sanctions—sanctions that the US and the EU have had in place since the 2002 elections. (Time expired)

**See Yup Temple and Memorial Hall**

**Senator TCHEN (Victoria)** (7.06 p.m.)—On Sunday, 28 July, I had the great pleasure of attending the dedication ceremony of the refurbished and expanded See Yup Temple and Memorial Hall in Raglan Street, South Melbourne. In many ways this was a poignantly significant occasion, not least because of my attendance as a member of the Australian Senate, and therefore the chief official observer, since the last occasion on which the See Yup Society had had official interaction with the Australian parliament was in 1901, when it made a submission seeking to avert the passage of restrictive immigration legislation. However, 2002 is a time for looking forward rather than back, and the rededication of this important Victorian community and cultural landmark certainly provides an emphatic and confident sign for the future for Australia and its people.

The adjournment debate is not the time to go into the intricate history of the Chinese Australian community, and I do not propose to do so. What I do hope to do is to give a brief outline of the history of the See Yup Temple and Memorial Hall, and the story of how it comes to be refurbished at this time. Gold was discovered in Victoria in 1851, and within a year diggers from all parts of the world had flooded the Australian goldfields, many of them diverted from the Californian fields where the rush had started in 1848. Amongst these diggers were some from China—via Hong Kong—and more specifically from the Pearl River delta, particularly the four rural districts on the west bank of that river: Hoi Ping, Yan Ping, Toi Shan, also known as Ning Yang, and Sun Wei, also known as Kong Chew. These districts were densely populated and relatively poverty-stricken, which created the pressure for young men to go overseas to seek their livelihood and hopefully their fortune if they were lucky enough. Although poor, the community was well organised and disciplined—as it had to be to survive—and cooperation and mutual support was a societal feature.

When the news of gold discovery in Australia reached these districts in 1851, the people were already familiar with the idea of faraway foreign places with gold for the picking. California is called ‘Old Gold Mountain’ and Australia ‘New Gold Mountain’ in these districts still. So they came to the Victorian goldfields via Melbourne, and they brought with them the concept of mutual support and cooperation. By 1854, the people from the See Yup districts had formed the See Yup Society in Melbourne. The society provided what today we would call ‘settlement support’ for all people from the four districts: a lodging place, a clubhouse, a place to acquire local knowledge, a place for the safekeeping of goods and money, and a place of remembrance. This last was particularly important because in the Chinese culture one’s roots are expressed through reverence of one’s ancestors. To non-Chinese, however, the rituals of remembrance so resembled worshipping that such a place of remembrance was usually given the appellation of ‘joss house’ or temple. The word ‘joss’ was thought by some to derive from the Portuguese word ‘Deos’ meaning ‘God’, but could equally well have come from a corruption of the Chinese term ‘Zho-se’, meaning ancestor-master.

In any case, the See Yup Society, after forming in 1854, in 1856 established their first temple or memorial hall. In 1866, 10 years later, they redeveloped the temple in a new place, at the current site in South Melbourne, at a total cost of £3,200, which was a fortune in those days. The largest donation was £80 and there were something like 1,200
donors from 55 locations throughout Victoria. This temple then became a centre of attraction for the Chinese community of Victoria as far afield as Castlemaine, Bendigo, Ballarat and Omeo. The form of remembrance is that each family provides a tablet with the names of the ancestors and the immediate family. By 1900, the temple housed 8,000 tablets—in other words, 8,000 families. In 1901, additional buildings were added to the temple and it remained unchanged in that form until 1980, when the See Yup Society, under its then president, Mr Dick Low, decided, with their confidence in the future, to purchase adjacent properties in South Melbourne for future development. But they were not able to develop them until 1998, under the presidency of Mr Kevin Cheng. Both Mr Low and Mr Cheng have since passed away. The See Yup Society’s committee decided that 1998 would be a good time to look into refurbishing this old temple, which had been designated a historic building by then.

Because of the timing, in 1998, the committee of the See Yup Society made the historic decision to open the temple to all comers, not just to the people of See Yup, and to accept all people putting in their tablets for remembrance, in celebration of Australia’s multicultural society. They also decided that they should refurbish this building and complete it as a Centenary of Federation project, although they proposed to fund it entirely from the society’s resources. After much discussion and planning, they submitted the application for development to the council in May 1999. As things are wont to go in town-planning matters, they did not receive approval from the council until January 2002. However, with the help of the architect and their builders, the project was completed in 22 weeks. The total cost of the project was $7 million, entirely paid for by the society.

This is a demonstration of the kind of community spirit that we can find in Victoria—in this case in the Chinese community. But I believe this is something which pervades the Victorian community and the Australian community as a whole. The reopening of the See Yup Temple in its new form is something to be celebrated not only by the Chinese community but by the entire Victorian and wider Australian community.

I would like to pay particular tribute to Mr Ron Louey, who chairs the Memorial Hall Building Restoration Committee, and his two committee members, Mr Ng Cheang Yin and Dr Tom Leung. I would also like to recognise the four ex-officio members, who are the presidents of the four related associations: Mr Peter Louey, President of the Ning Yang Society, and duty president of the See Yap Society at that time; Mr Wong Su Nam, President of the Kong Chew Society; Mr Wy Lee, President of the Hoi Ping Society; and Mr David Chang, President of the Yan Ping Society. The diligent builders were Mr Shane Dillon and Mr Dennis Pozzelo, from Caravilla Builders Pty Ltd. The architect was Mr Frank Cheng. I congratulate the See Yup Society for their project, and I commend the project to all senators. They should go and visit this historic building in its much more glorious form of today.

Environment: Youth Roundtable

Senator SCULLION (Northern Territory) (7.16 p.m.)—I had the privilege earlier today to be in the parliamentary theatre, where it was tremendous to see some young Australians who are concerned about their future and their environment. I was watching the environment team from the Youth Roundtable. They were reporting back on their six months away and what they had achieved. I was particularly interested to hear from David Henley, who is a Territorian and who is very keen to support the changes and planning arrangements that are happening in his town of Palmerston. He is a very articulate young man.

One of the things they said as part of that presentation was: ‘Young people are really concerned about the future because that’s where we have to live.’ That really struck a chord with me. They were making several points, but one of the points they were really focused on was: what are we going to do in the future about our power? Whether it was issues about greenhouse emissions or whether it was the issues associated with extremely efficient use of our power and how we need to be innovative, the message was that we need to think very carefully
about how we use the natural resources we have got now. That we need to be very diligent about that was a very clear message.

The message I got from them as well is that this is not really a choice. They were demanding that we make changes today that ensure they have effective and adequate access to environmentally-friendly power that will not bite into their birthright. They live in a country which enjoys tremendous access to a wonderful natural resource that is environmentally friendly and produces clean energy—that of course is natural gas. If you were to wonder for a moment about how important natural gas is, you would have to ask: why is it that countries like China and the United States would pay to have gas taken from the ground, turned into a liquid, carted halfway around the world and turned back into a gas to fire up their power plants? The answer is very simple: if you are looking to the future of energy sources, there is no other than natural gas.

There is wide public acceptance that we need to move towards green energy. We all accept, quite reasonably, that coal-fired power stations are going to be a thing of the past. Those nations have recognised that. They have recognised the imperative to start thinking very carefully about how they use resources. I think it is something we should start focusing on ourselves. We are very lucky in Australia. As I said, we have a great deal of natural gas—around 100 trillion cubic feet. That sounds like a lot because apparently it is. That is the established resource we have right now, but I understand there is quite a large capacity for that resource to be further expanded through exploration and some other innovative technologies that Australia is now developing.

One of the aspects about any natural resource allocation—and that is exactly what this is—whether it concerns fisheries or forestry, is that we need to allocate that resource bearing in mind clear principles about maximising benefits for Australians. That is what we have done, for example, with the Burrup Peninsula—what a wonderful program! They make things I have never heard of. They make chemicals, special oils and plastics, and they are going to develop all of that on the Burrup Peninsula. What that really translates into is sustainable development, sustainable jobs and sustainable growth industries. That is great for Western Australians. Certainly my Western Australian colleagues in here have been very excited about the development that the Burrup Peninsula has brought to them.

We also need to provide for our domestic needs. It is very important to recognise that if we export all of this gas eventually we will not have any for our own development to ensure that we can sustain jobs and prosperity over the long term as well as meet our power needs in Australia. When we look at meeting our domestic needs, we need to recognise as well that there are many additional opportunities. Not only is Australia rich in natural resources like natural gas; it is also very rich in other natural resources. We can take bauxite out of the ground—and we have an awful lot of in the Northern Territory and Queensland—and put it on ships and send it away. However, someone else gets the maximum benefit of value-adding. But we now have an opportunity in Australia, as long as we have access to cheap, efficient green power, to value-add ourselves—to maximise the benefits of the resources that we have. Certainly, one of the things that Pechinet need, along with a number of other aluminium producers that extract bauxite, is cheap power—and that is natural gas. If a smelter was built in Darwin—and there has been some discussion about that—that would bring some $4 billion and around 4,500 sustainable jobs into the economy. That is very important, with downstream benefits in terms of sustainability for Australians and Australian homes, the power grid, power for Mount Isa and sustainable green power for the Australian eastern seaboard.

But to achieve that we have a few challenges to overcome. It is a principled challenge in that the customers of gas have a different lead-up time from natural gas producers in wanting a development. The natural gas producers normally say, ‘We found a reserve; we need five years to develop the reserve: to drill a hole in the ground, to get it out and to get the customer base ready.’ A company such as Pechinet is in a different
situation in that, five years out, it is very difficult to model where the market for the aluminium is going to be and it is very difficult to predict what some of the costs are going to be. Whilst you may want to sign up in five years time for natural gas, the prime customers are reluctant to do that, so we are basically looking at a differential of about two years. We need to look at innovative arrangements to ensure that we marry those times up. Normally it is done by a staggered contract, in which a party for the first two years might say, ‘Yes, I’m pretty keen on it; I’m very excited by it and I’m committed to it.’ And that goes on.

I have already mentioned the very exciting development in the Burrup Peninsula. They have developed a bi-take contract. The Western Australian government said, ‘We are committed to environmentally friendly green energy and we are committed to making sure that that creates jobs in Western Australia.’ So they signed a bi-take arrangement which underwrites that first couple of years of development to allow the bigger producers to come online and sign a contract to buy the gas.

To ensure that the Sunrise field comes onshore, allocated to our domestic consumption, the coalition of states and territories—I say states and territories because they are principally responsible for the delivery of power, and they are certainly closest to the delivery of power, so it is most appropriate that they take responsibility and leadership on this issue—need to say, ‘We are a coalition and we will all share underwriting Sunrise coming onshore.’ I think that would be a significant step because it sends a signal to companies like Pechinet and to the downstream users that Australia is committed to this. That would make a great deal of difference.

The federal government are certainly committed to this. They have done a number of things. Mr Downer has just done an incredible job in trying to get through the very difficult process of the unitisation agreements. When you look at any of the papers you will see headlines such as ‘Downer agrees to East Timor gas talks’. There are also headlines about our Minister for Trade, who managed to send all that gas to China, such as ‘Vaile backs onshore gas bid’. They are out there and they are talking this up. The federal government have done so many wonderful things towards this. They have underwritten this whole process in such a way as to say to people like Woodside, ‘We think you’re so important we want you to stay independent. We’re going to run an accelerated appreciation process on pipelines. We’re going to say that we will forgo 40 per cent of the revenue for the Bayu-Undan fields to guarantee the security of that field.’ An article with the headline ‘Crean not so gas’ in the Northern Territory News dated 14 August states:

“We should have a national energy policy,” he says.

That is Mr Crean. Rocket science! He goes on to say:

We need to know what is in the national interest. It seems blindingly obvious that reaping the huge value-added benefits of bringing gas onshore would be in our national interest. I do not think it takes a rocket scientist to do that. I call on the Chief Minister of the Northern Territory, Clare Martin, to facilitate a bi-take agreement between the states. Enough words; we have heard the rhetoric. Australians and Territorians deserve action on this issue.

**Senate adjourned at 7.26 p.m.**

**DOCUMENTS**

**Tabling**

The following government documents were tabled:

- Advance to the Finance Minister—Statement and supporting applications for funds for June 2002.
- National Health Act 1953—Private health insurance premium increases—Report for the quarter commencing 1 April 2002.
Departmental and Agency Contracts
The following documents were tabled pursuant to the order of the Senate of 20 June 2001, as amended on 27 September 2001:

Departmental and agency contracts—Letters of advice—2002 Spring sittings—
Education, Science and Training portfolio—
Australian Research Council.
Department of Education, Science and Training.

Environment and Heritage portfolio—
Australian Antarctic Division.
Australian Greenhouse Office.
Bureau of Meteorology.
Environment Australia.
National Oceans Office.

Finance and Administration portfolio agencies—
Australian Electoral Commission.
Commonwealth Grants Commission.
ComSuper.
Department of Finance and Administration.

Prime Minister and Cabinet portfolio—
Australian National Audit Office.
Department of the Prime Minister and Cabinet
Office of National Assessment.
Office of the Commonwealth Ombudsman.
Office of the Inspector-General of Intelligence and Security [nil return].
Office of the Official Secretary to the Governor-General.
Public Service and Merit Protection Commission.
National Office of for the Information Economy (NOIE).

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 31 June 2002—Statements of compliance—
Australian Public Service Commission.
Department of Defence.

Department of Education, Science and Training.
Department of Employment and Workplace Relations, Defence Force Remuneration Tribunal and Equal Opportunity for Women in the Workplace Agency, and Employment and Workplace Relations portfolio agencies—
Australian Industrial Registry.
Office of the Employment Advocate.

Department of Finance and Administration, and Finance and Administration portfolio agencies—
Australian Electoral Commission.
Commonwealth Grants Commission.
ComSuper.

Department of Veterans’ Affairs.
Treasurer’s portfolio—
Department of the Treasury.
Australian Accounting Standards Board.
Australian Bureau of Statistics.
Australian Competition and Consumer Commission.
Australian Competition Tribunal.
Australian Office of Financial Management.
Australian Prudential Regulation Authority.
Australian Securities and Investments Commission.
Australian Taxation Office.
Axiss Australia.
Companies Auditors and Liquidators Disciplinary Board.
Corporations and Markets Advisory Committee.
National Competition Council.
Productivity Commission.
Reserve Bank of Australia.
Royal Australian Mint.
Superannuation Complaints Tribunal.
Takeovers Panel.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Rural Networks Grants Program
(Question No. 534)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on August 15 2002:

(1) What is the purpose of the young people’s rural networks grants program.
(2) What evaluation, if any, has been undertaken of the effectiveness of the program in achieving its purpose.
(3) (a) If an evaluation has been undertaken, what were its findings; and (b) If no evaluation has occurred, when will an evaluation take place.
(4) How many rounds of the program have been conducted; and (b) how many rounds of the program are planned.
(5) (a) What is the total value of grants already awarded under the program; and (b) what is the total value of grants planned over the life of the program.
(6) How many applications have been received for each round of the program.
(7) How many grants have been made for each round of the program.
(8) What is the name and address of each organisation that has received grants under the program, and in which states/territories are these organisations active.
(9) In respect of each successful application: (a) when were grants received; (b) what was their value; and (c) for what purpose were they made.
(10) Who conducted the assessment of applications.
(11) Has every application been processed for assessment by the selection panel; if not, why not.
(12) As part of the assessment process, is each application scored and then ranked according to its merit.
(13) What is the highest possible score on the scoring system used to assess applications.
(14) (a) What was the highest score obtained by a successful applicant in each round of the program: and (b) what was the lowest score obtained by a successful applicant in each round of the program.
(15) What role does the minister or his office play in the assessment and/or approval of grants under this program.
(16) Are successful applicants required to enter into a formal agreement with the department specifying a range of conditions on payment of the grant, including the right of the commonwealth to audit expenditure; if so, what are these conditions.
(17) Has the commonwealth conducted audits pursuant to the agreement between successful applicants and the department; if so, what percentage of successful applicants have been audited.
(18) Have the audits found breaches of grant expenditure conditions; if so, what percentage of these audits have revealed breaches.
(19) What action has been taken by the department on these adverse findings.
(20) Do the program guidelines allow for changes to the agreement between successful applicants and the department after the agreement has been signed.
(21) How many variations to these agreements, if any, have been permitted.
(22) What role does the minister or his office play in the assessment and/or approval of variations to these agreements.

Senator Ian Macdonald—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) The purpose of the Young People’s Rural Networks Grants is to assist young rural people’s organisations in their leadership roles in supporting young people’s contribution and participation in the agriculture, fisheries, forestry and value-added sector industries.
(2) No evaluation has yet been undertaken as the first rounds of funds have only recently been paid (in June 2002) and all the activities funded are still underway, or yet to commence.

(3) (a) See Question 2 response above. (b) An independent evaluation of the program will be conducted on completion of both rounds one and two. This is scheduled to be completed by 2004.

(4) (a) Round One’s closing date for applications was 12 October 2001. Round Two was recently conducted with a closing date for applications 30 August 2002. The second round is currently in the selection process stage, it is anticipated that the winners will be selected by October 2002. One round has been finalised and a second round currently under assessment. (b) No further rounds are planned at this stage.

(5) (a) $79,730 has so far been paid in grants for the FY 01/02. (b) $88,000 is allocated for the second round, FY 02/03, making a total of $167,730 for the total program.

(6) Thirteen applications were received in the first round and 28 have been received for the second round.

(7) Nine grants were made in the first round, no grants have been made in the second as applications are currently being assessed.

(8) Please refer to ATTACHMENT A

(9) Please refer to ATTACHMENT B

(10) Assessment of the first round of applications was conducted by an independent assessment panel consisting of Ms Cathy McGowan, Chair of Deputy Prime Minister Anderson’s Regional Advisory Council, Mr Ben Fargher, Policy Manager, National Farmers’ Federation and Mr Phillip Jones, Senior Policy Officer AFFA.

The second round is being assessed by Mr Ben Fargher, Policy Manager, National Farmers’ Federation, Ms Annie Kentwell, Regional Women’s Unit, Department of Transport and Regional Services, and Ms Alison Reid, Human Dimension Program Officer, Murray-Darling Basin Commission.

(11) In the first round three applications not considered by the selection panel because they did not meet the Guidelines. The number of ineligible applications submitted in the Second Round that are not being considered by the selection panel for the same reasons is six.

(12) Yes.

(13) The highest possible score in Round one is 100 and in Round two is 70.

(14) (a) The highest score in Round one was 88 and (b) the lowest score was 34. It should be noted that all applications that were assessed were eligible underneath the Guidelines to receive grants.

(15) The Minister approves all Grants taking into account the recommendations of the independent selection.

(16) Yes, all successful applicants are required to sign a Deed Grant with the Department. The conditions of the Grant are outlined in ATTACHMENT C.

(17) No.

(18) No breaches of the Grant conditions have been identified.

(19) Not applicable.

(20) Yes.

(21) None requested to date.

(22) Not applicable to date. Any significant requests for variations are submitted to the Minister for consideration.

ATTACHMENTS A, B and C—are available from Table Office

Finance: Creditors Meetings

(Question No. 556)

Senator Ludwig asked the Minister representing the Attorney-General, upon notice, on 19 August 2002:
(1) (a) What criteria does the Insolvency and Trustee Service Australia utilise in determining which Part X creditors meetings are attended by Bankruptcy Regulation Officers; and (b) can a copy of the criteria be provided.

(2) What remedial action was required as a result of Bankruptcy Regulation Officers attending creditors meetings: (a) in the 1999-2000 financial year; (b) in the 2000-01 financial year; and (c) between July 2001 and April 2002.

Senator Ellison—The Attorney-General has provided the following answer to the honourable senator’s question:

(1) (a) While there are no documented criteria, there are five main instances when Bankruptcy Regulation Officers will consider attendance:

- Examination of the s189A report from the controlling trustee and debtor’s Statement of Affairs filed at ITSA offices identifies issues which indicate there may not have been full disclosure in the report to creditors of matters such as assets or potential recoveries, or there is reason to investigate possible offences under the Bankruptcy Act;
- When there is a history of poor meeting procedures by a particular trustee;
- When the debtor has a high public profile;
- When a concern has been raised in connection with a Part X proposal and one or more creditors request attendance at the meeting;
- As part of an ongoing assessment of the practice standards of all trustees.

This list is not exhaustive and is intended to provide an example of the situations when Bankruptcy Regulation Officers will attend creditors’ meetings.

(b) As stated above, there are no documented criteria.

(2) Bankruptcy Regulation records the number of meetings requiring remedial action.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Meetings attended</th>
<th>Remedial action required</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>19</td>
<td>11</td>
</tr>
<tr>
<td>2000-2001</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>2001- April 2002</td>
<td>18</td>
<td>8</td>
</tr>
</tbody>
</table>

For all three periods, details of specific remedial action taken across all jurisdictions is not kept in a consolidated form and is not readily available. However, in recent years the most common remedial actions arising from creditors’ meetings have included:

- intervention during the meeting to correct procedure not in accordance with the Bankruptcy Act. Errors are most common in determining voting rights, resolutions involving two or more debtors, proposals for dealing with joint property and resolutions to approve trustees’ remuneration; and
- counselling of controlling trustees or bankruptcy trustees after meetings in connection with improvement in the content of S189A reports, and the quality of evidence required before admission for voting purposes of creditors associated with the debtor.

Finance: Debt Agreements

(Question No. 557)

Senator Ludwig asked the Minister representing the Attorney-General, upon notice, on 19 August 2002:

(1) Can the Insolvency and Trustee Service Australia supply figures that detail the number of debt agreements that resulted in bankruptcy in each of the following financial years: (a) 2000-01; and (b) 2001-02.

(2) Do the creditors have to give reasons for rejecting the debt agreements; if so, what are the allowable criteria.

(3) Can the Insolvency and Trustee Service Australia provide details of which major industries have rejected debt agreement proposals for each of the following financial years: (a) 2000-01; and (b) 2001-02.

(4) With reference to the figures in Table 29 of the Part IX Agreements which show that, of the 2 240 debt agreements accepted by the Official Trustee for processing, 1 234 were accepted by creditors
and 597 were rejected: (a) what happened to the other 409 applications; and (b) given that of the 1
292 accepted by the Official Trustee in Western Australia only 653 were accepted: (i) why; and
(ii) what happened to the other 272 applications.

(5) With reference to section 185 which allows for variation of the debt agreement: in how many
cases do the creditors propose an increase in the debt repayment.

Senator Ellison—The Attorney-General has provided the following answer to the honour-
able senator’s question:

(1) The information sought is not readily available, as data entered on to ITSA’s case management
system (OTISS) only records previous bankruptcies and does not include earlier Part IX debt
agreements.

(2) Creditors are not required to give reasons for rejecting debt agreement proposals.

(3) In terms of industry groups, no major industries have rejected debt agreement proposals in the
financial years mentioned.

(4) (a) The reason that the total number of debt agreements accepted or rejected by creditors in Table
with the number of debt agreements accepted for processing by the Official Trustee is that credi-
tors have 25 working days in which to vote on a debt agreement proposal. The deadline for voting
by creditors on any proposals received by the Official Trustee after 25 May 2001 did not pass until
after the first working day in July 2001, which is a new annual reporting period. (b) (i) See answer
to (2) above. Creditors are not required to give reasons for accepting or rejecting proposals. (ii)
Table 26 indicates that of the 1 292 proposals accepted for processing by the Official Trustee in
Western Australia in 2000-2001, 653 were accepted by creditors and 272 were rejected. The dead-
line for voting on the remaining 367 did not pass until after the first working day in July 2001 (see
the answer to question (4)(a) above).

(5) ITSA records the number of instances when variations are made to debt agreements under section
185M of the Bankruptcy Act 1966. However, no record is kept of the number of instances when
creditors propose an increase in the debt repayment.

Defence: Depleted Uranium

(Question No. 568)

Senator Nettle asked the Minister for Defence, upon notice, on 21 August 2002:

(1) What studies is the Minister aware of addressing the effects on personnel, civilians or the environ-
ment related to the use of depleted uranium in munitions, particularly the use of this material to
coat shell casings.

(2) What, to the Minister’s knowledge, is the relevance of these studies to Australian involvement in:
(a) the Gulf War; (b) the conflict in Afghanistan; and (c) any other conflict or military operation.

(3) What, if any, discussions have been undertaken between the Australian Government and the United
States Government representatives in relation to the use and effects of depleted uranium in joint or
cooperative military operations.

(4) Does the use of weapons containing depleted uranium create any actual or potential inconsist-
ency with rules of combat, laws of military engagement or any other international conventions or
agreements relating to military conflicts.

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

(1) The Principal Medical Officer of the Repatriation Medical Authority refers to 60 different studies
in a recent article in ADF Health, the Journal of the Australian Defence Health Service. The article
is entitled ‘Military medical aspects of depleted uranium munitions’.

(2) Approximately 25 percent of these studies are directly related to the use of depleted uranium mu-
nish. The remainder relate to uranium processing workers and provide a corpus of knowledge
covering over 50 years of use. All research into any substance employed in an area of operations
has the potential to be relevant to Australian involvement in military operations.

(3) There is regular passage of information between the Australian and United States of America’s
Defence health services and the respective Departments of Veterans’ Affairs on the results of re-
search into the use and effects of depleted uranium in military operations.
(4) No.

**Australian Defence Force: Depleted Uranium**

*(Question No. 582)*

Senator Brown asked the Minister for Defence, upon notice, on 27 August 2002:

With reference to parts (3) and (6) of the answer to question on notice no. 1012 (Senate *Hansard*, 10 August 1999, p. 7213: (a) What were the occupational health and safety issues which caused the Defence Force to cease using depleted uranium; and (b) did the United States Navy forewarn Australia that the three guided missile frigates contained depleted uranium weaponry; if so, when; if not, how and when was this information obtained.

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

(a) The occupational health and safety issues associated with depleted uranium munitions in the Australian Defence Force (ADF) were minimal. Exposure to depleted uranium under normal operating conditions was low. Depleted uranium has some of its more radioactive isotopes removed and thus poses a smaller radioactive risk than natural uranium. Close proximity to depleted uranium metal, as in storage facilities, carrying shells or driving tanks, even when prolonged, produces negligible internal radiation exposure and levels of external radiation exposure well below the recommended levels for occupational health and safety. The ADF ceased using depleted uranium through its Duty of Care obligation by following the hierarchy of hazard control principles. This has been achieved through the elimination and substitution of the hazard, that is depleted uranium for even less hazardous tungsten.

(b) Australia was made aware that the guided missile frigates contained depleted uranium munitions as part of the Phalanx anti-missile system prior to purchase and commissioning. At the time, there was no alternative material available. The Defence Science and Technology Organisation and Australian Defence Industries commenced development of the tungsten penetrator for the Phalanx Close In Support Weapon System in the early 1980s. It was subsequently introduced into service in 1986.