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

BUSINESS

Consideration of Legislation

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (9.31 a.m.)—I move:

That the provisions of paragraphs (5) to (7) of standing order 111 not apply to the following bills, allowing them to be considered during this period of sittings:

Education Services for Overseas Students Amendment Bill 2002
Treasury Legislation Amendment Bill (No. 1) 2002.

Question agreed to.

MEMBERS OF PARLIAMENT (LIFE GOLD PASS) BILL 2002

Second Reading

Debate resumed from 24 September, on motion by Senator Ellison:

That this bill be now read a second time.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (9.31 a.m.)—The Members of Parliament (Life Gold Pass) Bill 2002 establishes a uniform set of arrangements for all life gold pass holders, their spouses, the widows or widowers of deceased pass holders and spouses of sitting members who have qualified for a life gold pass. The bill proposes annual limits to travel entitlements for all eligible pass holders for the first time. It also includes a forfeiture provision linked to the forfeiture of superannuation benefits in the case of a conviction for a corruption offence as defined in the Crimes (Superannuation Benefits) Act 1989. This provision—the so-called Theophanous provision—will apply to all life gold pass holders and former parliamentarians who qualify for severance travel benefits.

The limits imposed by the bill are as follows: for eligible former prime ministers and their spouses, up to 40 return trips per annum; for widows or widowers of eligible former prime ministers, up to 10 trips per annum for the first five years, commencing on the death of the former Prime Minister, and five trips per annum thereafter; for all eligible former members and their spouses, up to 25 return trips per annum; for spouses of eligible sitting members, a spouse of the Prime Minister is entitled to 40 domestic return trips per annum and all other members’ spouses are entitled to 25 domestic return trips per annum to join or accompany their spouses; and for widows or widowers of eligible former members who died after the commencement of the act, up to 10 domestic return trips in the first year following the member’s death and up to five domestic return trips in the next year, after which the entitlement ceases.

The bill also includes a range of provisions aimed at clarifying and enhancing the arrangements relating to life gold pass travel. These include clear statements concerning the type of travel that may be undertaken, definitions—for example, a definition of a return trip—how to treat stopovers and what constitutes a commercial purpose. The measures setting limits to entitlements were foreshadowed in the Prime Minister’s statement on parliamentary entitlements of 27 September 2001 and flowed from the findings of the Auditor-General’s report No. 5 2001-02: Performance audit: parliamentarians’ entitlements: 1999-2000.

The opposition welcomes the government’s proposal to correct the anomaly which permits members or senators who are found guilty of a corruption offence to continue to travel at taxpayers’ expense. Under the Crimes (Superannuation Benefits) Act 1989, a court may issue an order that withdraws the superannuation benefit, other than personal contributions, from a person who, in the course of carrying out his or her duties as a member of parliament, commits a corruption offence within the meaning of the act. This bill will have the effect that in such circumstances the withdrawal of the life gold pass travel entitlement will follow automatically. As I say, this is welcome. The opposition concurs with the government’s view that the current life gold pass entitlements are overly generous and out of step with community views. The new limits proposed by
this bill are justified and have the opposition’s support. The opposition’s preferred approach on this, as with other entitlements, would have been for the Remuneration Tribunal to have responsibility for determining both the appropriate quantum and the conditions of eligibility. However, given the government has brought forward legislation to entrench these limits on the life gold pass travel entitlement, that is what we must deal with, and we have determined on the basis of the substance of this legislation not to oppose it.

One concern the opposition does have with the bill is its use of the antiquated definition of spouse as legally married. We consider it more appropriate that the definition of spouse include de facto spouses and note that this has been the accepted definition in the Parliamentary Entitlements Act since its passage in 1990. Accordingly, and I must say somewhat reluctantly because of the principle I outlined that the Remuneration Tribunal should have responsibility for determining these matters, the opposition will be moving an amendment to change the definition of spouse used in this bill to that used in the Parliamentary Entitlements Act.

I also note that the Senate Finance and Public Administration Legislation Committee, in its report on this bill, which was tabled in the Senate on 18 September, has made a number of recommendations which would further tighten the use and monitoring of the life gold pass entitlement. These recommendations should be examined carefully by the Department of Finance and Administration and the Remuneration Tribunal, and I am pleased that there is a second reading amendment from Senator Murray that goes to that point and which will have the strong support of the opposition.

I am well aware there are many members of the public—many of whom have drawn their views to the attention of the Senate committee—who believe that parliament is not going far enough with this bill. Most submissions in fact say the life gold pass should be abolished. I believe that those matters are much more appropriately dealt with by an independent body such as the Remuneration Tribunal. I always think it is difficult for parliamentarians to make decisions about these entitlements issues. It is much better if it can be done by others independent of the parliamentarians to whom these entitlements apply or may apply. I also consider that any future restrictions or changes to this entitlement, which in one form or another has formed part of the total remuneration package for members of parliament since 1918, should be considered in the context of a review of the full remuneration package. I endorse the Senate committee’s recommendation that the Remuneration Tribunal undertake such a review. I commend the opposition’s approach on this bill to the Senate.

Senator MURRAY (Western Australia) (9.40 a.m.)—The Members of Parliament (Life Gold Pass) Bill 2002 has as its purpose the establishment of a uniform set of arrangements for all life gold pass holders, their spouses, the widows or widowers of deceased pass holders and spouses of sitting members who have qualified for a life gold pass. The bill proposes annual limits to travel entitlements for all eligible pass holders for the first time. The government’s view, as put out in a press release by the Prime Minister on 27 September 2001, was that the previous entitlement to unlimited travel was beyond community standards. The bill does not, however, impose a financial cap on individual entitlements or to the overall cost to the Commonwealth of retirement travel entitlements, which presently runs at about $2 million per annum.

The bill removes the responsibility for determining the level of entitlements available under the life gold pass from the Remuneration Tribunal, but it makes clear that the responsibility for determining eligibility for life gold pass entitlements remains with the Remuneration Tribunal. The bill proposes instead that the entitlements be the subject of determination by the parliament through the act. The legislation proposes a regime of entitlements for former members who are eligible for the life gold pass, their spouses and/or widows and widowers; reduced entitlements for those presently qualifying for uncapped retirement travel entitlements, that is, former members, their spouses and the
widows or widowers of former members who qualified for life gold passes prior to 1994 when the law was changed; transition arrangements, taking account of all possible individual circumstances to apply during 2002-03; penalties for noncompliance or misuse of entitlements; and disqualification from entitlements linked to forfeiture of superannuation benefits for persons convicted of a corruption offence, which I think the Leader of the Opposition quite rightly refers to as the ‘Theophanous provision’.

This bill is an improvement on the current retirement travel entitlement system for federal parliamentarians and their spouses, and it will be improved further if the administrative suggestions proposed by the Senate Finance and Public Administration Legislation Committee are accepted. For that reason, the Australian Democrats support the bill. However, the bill is built on a premise and a practice that is fundamentally wrong. There is no justification at all for retirement travel benefits being provided to former parliamentarians and their spouses or partners. Accordingly, in the committee stage, the Australian Democrats will move amendments to do away with the life gold pass, but only prospectively. We recognise the difficulties of addressing this matter retrospectively, and indeed even for affecting the entitlements of existing senators and members. My best estimate is that there are around 54 current senators and members who will be eligible for life gold passes.

The introduction of this bill provides an opportunity to end retirement travel entitlements and address one of the most inequitable aspects of the remuneration package available to members of parliament. Over time the Australian Democrats, along with other senators and members, have called for a number of major changes to parliamentarians’ entitlements. These have included calling for a reduction in parliamentarians’ superannuation to more closely match community standards and the cessation of parliamentarians’ retirement travel benefits. The Senate has consistently expressed reluctance to take a policy position on these matters, claiming that these are the province of the Remuneration Tribunal, and the Leader of the Opposition was making reference to that view. I think the last time we dealt with this was in March 2002.

I am sympathetic to that view. I think the Remuneration Tribunal does need to take account of these matters in a holistic manner. I note that the committee formed the same view. It really said that it was appropriate for the Remuneration Tribunal to go away and—in my words—look at parliamentarians’ salary packages, what they need to do their job and their retirement package as a whole, and come to a view as to what that should be. The salary package includes salary, fringe benefits, car and other benefits. What we need to do our job includes things like electorate allowances, office expenses and staff allocations. The retirement package includes superannuation and retirement travel benefits, including entitlements available under the life gold pass. It is an area in which it is difficult for parliamentarians to win. Apart from the difficulty of being objective—and the Leader of the Opposition outlined the obvious difficulties of parliamentarians in dealing with their own benefits—there is, for some, a sensitivity and defensiveness because of some public clamour from both the public and the media concerning these matters. Indeed, that was a feature of the inquiry into the proposed bill, with submitters overwhelmingly opposed to travel entitlements as perks that have no place in modern Australia.

The entitlements are also out of step with benefits that are available to Australian government officials and former members of parliament in other countries. The Australian National Audit Office advised the committee that entitlements similar to the life gold pass retirement travel benefits had never been available to public servants, either past or present. They confirmed—and that is in the Hansard—that retirement benefits for bureaucrats were comprised solely of superannuation. The Department of Finance and Administration told the committee that it understood that life gold pass entitlements were ahead of the field with regard to retirement benefits available to former members of parliament internationally. Given these precedents within the public sector, those who support the continuation of these perks
do need to justify their retention. Based on the evidence before the committee, my party and I continue to judge their defence of these entitlements as weak and unconvincing.

Many submissions referred to the generous superannuation benefits already received by former members of parliament, arguing that these were excessive and out of step with community standards. Additional benefits, such as life gold pass travel entitlements, were considered completely unjustified. I agree with submitters that there is no justification for the existing post-retirement travel entitlements. I note that, apparently, apart from retired members of some private sector air or rail corporations, equivalent perks are simply not a feature of normal retirement. The Australian Democrats consider post-parliamentary travel benefits a justifiable source of public resentment and consider that the life gold pass in particular is an indulgent, unjustified and anachronistic waste of taxpayers' money.

However, we do believe there should be one exception. Former prime ministers do have justifiable official engagements post-retirement and continued travel entitlements for them are appropriate. However, they are expenses that we believe should be funded as an executive cost and not as a parliamentarian’s benefit. We think the argument that the continuation of these retirement travel benefits is necessary to fund pro bono community or charity work is self-serving. Why, I would ask, is it acceptable for a former parliamentarian or spouse to select his or her own worthy cause on unknown criteria, to be funded at public cost? Either the organisations themselves should fund such travel or the government should decide in the public interest to make grants to charities for such services. One of the good principles followed by both this coalition government and the previous Labor government is that hidden subsidies should be transparent.

In summary, the retirement package should be significantly reduced in scope. Whether there would need to be an appropriate compensation as a result to at least retain parity may need consideration. But if retrospectivity is avoided, which I have sought to do with my amendments, the necessity for that mostly falls away, especially if the Remuneration Tribunal conducts a holistic review on the grounds that both the committee and I recommend. I think that cessation can and should only apply from the next new parliament commencement date. For members of the House of Representatives, that would be the date of the confirmation of their election. For new senators it would be from 1 July 2005, assuming there would be no double dissolution before that. I obviously have views on how the three entitlement categories that I have outlined should be configured. This is not the place to advocate them or put them in detail, but I have said on the record elsewhere that I do think that, in certain respects and particularly for the ministerial rank, parliamentarians are under-rewarded. I think their salary is far lower than it should be.

The committee had some interesting witnesses. One of them was Mr Brian Moore, who had been with the WA Salaries and Allowances Tribunal. Current members also gave us some evidence. They advised the committee that that body had undertaken a review of the overall remuneration of Western Australian state members of parliament and they advised that the tribunal had taken the view that it was more appropriate for a person to be remunerated appropriately while giving service than afterwards. Therefore, on the basis of work value studies, it had awarded a salary increase to state members in return for reducing and finally phasing out the retirement travel benefits to which former members had previously been entitled. Some submitters, including the Association of Former Members of Parliament, argued that retirement travel benefits are legitimate compensation for the lower rates of salary that sitting members receive while in office and for the difficulties and stresses associated with being a member of parliament. The arguments presented by the Western Australian Salaries and Allowances Tribunal and the Association of Former Members of Parliament should be weighed up by the independent tribunal if it conducts a holistic review on the basis that I have outlined.

The introduction of this bill provides an opportunity to address more than the exces-
sively generous retirement package available to some former members through the life gold pass. I agree with the committee that it also provides an opportunity for that holistic re-examination of parliamentarians’ salary packages and entitlements on an objective basis. Crucially, this should provide an opportunity to also bring superannuation entitlements into line with community standards. My amendment to the motion that the bill be read a second time encapsulates the recommendations of the committee. I move:

At the end of the motion, add:

“but the Senate recommends that the Special Minister of State ensure that with respect to Life Gold Pass and retirement travel entitlements:

(a) all former members of the Federal Parliament in future be required to certify that their use is within entitlements;

(b) information conditions and guidelines given to former members be reviewed for accuracy and comprehensiveness;

(c) procedures for monitoring the use of these entitlements be reviewed with a view to obtaining faster and more accurate certification, and to allow prompt action to recover expenses where travel is not within entitlements;

(d) administrative arrangements be reviewed to ensure that all expenditure is captured in the monitoring and reporting arrangements; and

(e) spouse travel be separately reported”.

Senator ROBERT RAY (Victoria) (9.54 a.m.)—The purpose of the Members of Parliament (Life Gold Pass) Bill 2002 is to codify the entitlements of former members of parliament who are eligible to use the life gold pass. It is true that these entitlements have recently been looked at by the Auditor-General. A further imperative to legislate is a community concern that MPs convicted of corruption offences could use the gold pass once they have served their sentence in prison. In 1989, the Hawke government successfully promoted the Crimes (Superannuation Benefits) Act. This legislation was intended to deal with public servants who were convicted of corruption. Under its terms, their superannuation could in future be docked. The bill also defined being a Commonwealth employee as including being a member of parliament. This was so that we did not have one law for public servants and a separate law for parliamentarians. Put simply, this legislation allowed the Commonwealth to strip an MP of all but their own contribution to their superannuation entitlements if they had been convicted of a corruption offence and sentenced to a term of imprisonment in excess of 12 months.

Prior to this, a problem existed. If a conviction occurred when an MP was still in parliament, they would not only forfeit their seat because of the provision in the Constitution but they would also forfeit their superannuation. It is conventional wisdom that any MP so charged would stay an MP whilst charged but, from the moment that a guilty verdict came down, they would resign and therefore not imperil their superannuation. Using resignation as a device to retain superannuation would have caused enormous public discomfiture—just imagine the field day the tabloids would have had if that had ever occurred.

There is a major inconsistency in all of this. The 1989 act refers to a sentence in excess of 12 months, whereas the disqualification from parliament dictated by the Constitution requires being convicted of an offence that carries a penalty of more than 24 months imprisonment, even though no term of imprisonment may in fact be awarded. So we do have that inconsistency. I tend to think the 1989 act got it right. In any event, we cannot amend the Constitution, so we are stuck with it. In general, legislators try to avoid double jeopardy. In relation to this legislation, that means that your good old child-molesting MP can get their superannuation and their gold pass, but the mug who is silly enough to cheat on their travel allowance or the idiot who takes the odd bribe will get punished twice. That could well embarrass us in future, I have to say. Again, it is this problem of double jeopardy. Clearly, in relation to superannuation and now in relation to the gold pass, this is a warning to all MPs that corruption carries more penalties than just a court case. They are all warned of this in advance.

The first test case of the 1989 legislation should have been former Senator Colston,
the greatest travel allowance rotor this parliament has ever seen. My view is that, had he been charged and convicted, he would almost certainly have resigned before sentence had been issued. He would have escaped the provisions of the Constitution but he would not have escaped the provisions of the 1989 act. But of course, because of the absolute stupidity of the Director of Public Prosecutions, we will never know. So now we have former Senator Colston using his gold pass and living off his superannuation just because the DPP did not prosecute him. Mention has been made of a former MP who has recently been convicted of corruption and whose case could well be covered by this piece of legislation but, as that matter is under appeal, I do not want to comment on it any further.

One worrying aspect of this legislation—and it especially applies to the 1989 legislation—is that it leaves to the Attorney-General the question of whether action should be taken. This sometimes leads to a difficult situation. Attorneys-General are always members of parliament and they tend to know fellow parliamentarians. That sometimes puts them in a very awkward position as to whether they should take action against someone they know so closely. We all know that, in the judiciary and elsewhere, people debar themselves from this sort of decision making when they know, or are close to, the person concerned. That could be a long-term difficulty with the 1989 legislation especially. You would normally expect such a person to act on the advice of his own department or the DPP. We have already been through the DPP’s judgment. I do not particularly want the Attorney-General relying on their judgment in these cases.

Of course, over the years people have relied on advice. We talked about former Senator Colston before. There was a lot of controversy about the way he was treated by the then Attorney-General, Senator Evans, in 1983 but, as it turned out, Senator Evans was acting on advice. You would not know this, of course, because when the government of the day, the Howard government, sought all the documents on this, the then Leader of the Opposition, Mr Beazley, generously said, ‘Yes, you can have access to the documents provided we as an opposition are provided with them.’ So a great search was done in the Attorney-General’s Department. All these documents were turned up and were released to us. The Prime Minister then alleged that Senator Evans and Mr Beazley were perverters of the course of justice because they failed to pursue Senator Colston and were not acting on independent advice.

It was only later that we found out that the two crucial documents went missing, and they were the two documents that indicated that Senator Evans acted on advice. How they went missing, this government, to this day, will not answer. We know the Attorney-General saw them because he had to sight all original documents and sign them off. So, at some point in the journey from the Attorney-General’s office to the Prime Minister’s office to Mr Beazley’s office, these two critical documents went missing. That highlights not leaving these sorts of political matters in the hands of an Attorney-General. We do not know where they disappeared. We have asked questions at estimates time and time again and all we have on this issue is fudging. We have no answer whatsoever as to how these two critical documents disappeared, but I tell you one thing: it is interesting that not once since we raised that issue has the Prime Minister accused Mr Beazley or Mr Evans of being perverters of the course of justice. No, that line has been dropped; that line has been dismissed. But regardless of who was responsible for the disappearance of the documents—and I am sure it was not the Prime Minister; I am positive of that; it was some eager beaver staffer somewhere—no action has ever been taken. I do not blame staff generally, but I am sure the Prime Minister would not have been involved in the disappearance of these documents. In terms of plausible denial, I daresay we will never know.

This bill also rationalises and limits the use of a gold pass. It is careful not to alter the qualifying period, and at no point does it extend benefits. It tries to make them common and, in some cases, lessens access to the gold pass. The bill proposes to limit the use of the gold pass to 25 trips per year. It con-
tinues to make clear that it cannot be used for commercial purposes. Further, the bill limits former prime ministers to 40 domestic trips per year. ‘Keep ’em on the move’—that’s what I say. There is nothing more useless than an ex-MP, so keep them travelling; keep them out of our hair. We are not like the UK. We cannot use the Chiltern hundreds; we cannot move them up to the House of Lords and find a role for them. So keep them on the move continuously, if we can.

One aspect that has come out of this is that, in his report, the Auditor-General indicated that the use of Comcar as part of the gold pass entitlement has no basis in law. It was merely a grant from a previous minister in, I think, a Labor government and was never able to be justified via reference to the Remuneration Tribunal or anyone else. I do not think it was ever the intention of the Remuneration Tribunal that gold pass holders should have to walk to the airport. The current minister has cancelled that, quite properly. He has to act on the advice of what the Auditor-General has said, and he has acted totally appropriately. This problem, I do not think, can be rectified in this legislation.

One aspect of the legislation that is of concern is the definition of ‘spouse’. It differs in this legislation from other entitlements legislation. I have not seen an explanation justifying a different definition. I am pleased that the committee picked it up in its report and I understand there are at least two amendments that hope to rectify that in this legislation. Today and at other times I have heard some senators argue that the gold pass should be scrapped. Democrats, in particular, have been vocal on this matter. Of course, so far, only one of them has ever qualified for a gold pass. For the rest, they are quite welcome never to use it. No-one is going to compel Senator Murray, if he gets a gold pass, ever to use it. But, given the internecine warfare that exists in the Democrats, is it a credible argument that any of them will ever qualify? That is very unlikely, I have to say. Frankly, I would amend this legislation, Senator Murray. If you serve six years in the Democrat party room, you should be entitled to a gold pass.

Government senators interjecting—

Senator ROBERT RAY—Exactly—on a weight-for-age system. But Senator Murray made a few points in his speech and I would like to address some of them. Firstly, he says that this is not available to public servants. That is true. He goes on to say that he does not think all ministers were properly remunerated. It is an anomaly that, as Minister for Defence, I used to sit in a room with 10 public servants whom I employed, and all of them were paid much more than I was paid. In some cases they were paid double what I was earning, yet I was responsible for the whole lot. So, in some ways, that may explain why it does not go to public servants and why it goes to MPs. Senator Murray said that some of the arguments put up in favour of the gold pass were ridiculous, including those about pro bono. He described those arguments as self-serving. Hear, hear, Senator Murray—I can’t agree with you more. They are self-serving. They are meant as a disguise argument and, as you say, they have no weight and no merit whatsoever.
Senator Murray also says he will later move that he would like to grandfather the exclusion clause in. We will debate that at another stage. He asks, ‘Do post travel benefits ever have any usefulness?’ I want to go to a historical precedent, and that was the abolition of the Queensland upper house. I do not know whether Senator Murray knows how that was achieved. For years bills were put up to abolish the upper house and were rejected in the upper house in Queensland until finally someone got a great idea. They offered each member of the upper house a life gold pass for rail travel. Within 24 hours we got rid of the Queensland upper house, and think how much money we have saved ever since—cheap at half the price!

Seriously, though, the gold pass is part of a salary package and has to be looked at in those terms. It is really deferred income for those who have served a long while. In effect, this comes out of historical reasons. Remuneration tribunals and others have been very loath to up parliamentary or ministerial salaries. They have been much more amenable to compensate in terms of entitlements. I think what Senator Murray is really saying is that he would like to see this whole area restructured, a lot more money go in up front and less money taken away from you. That is complex; I understand that. That is difficult, but I think that is his intention.

I just want to say for the record that I have never earned any money outside my parliamentary salary, I have always tried to claim within entitlements and I have never put my spouse on the payroll. Some of the parliamentary critics of this legislation seem to go to water when I suggest that maybe what we should do in terms of superannuation and gold passes and everything else is means test them. Maybe we ought to come in and put all our assets on the table. Those with the least can take their superannuation and their gold pass, and those that have got oodles of money—those that have made money out of poker machines or selling booze, who have got their own separate superannuation entitlements—well, they can take less or take nothing. You have got to have some justice in this particular thing. We might also disqualify those senators that use their electorate offices as campaign headquarters every federal election. Maybe we will make the savings in that particular way. In conclusion, the iron law of politics tells you: never take on a sleazy opportunist trying to make themselves popular by attacking parliamentary entitlements—they will beat you every time.

Senator BROWN (Tasmania) (10.10 a.m.)—I do not know whether that was a prelude to my speech, but it will not change the general thrust of the speech, which is that the Greens believe the gold pass entitlements should be abolished. We are not alone in that and we are representing a very strong community sentiment in the matter. I am aware that it is very easy for the community to have a knee-jerk reaction against politicians and any entitlements they may have, but it is also very easy for those who are representing the community, are elected by the community and are servants of the community, to tend to want to make things easy for themselves through the use of that power. I think we are very well paid and we have very generous superannuation entitlements in this place. In fact, if you look at the rest of the world, Australian members of parliament are amongst the top income earners and are at the top with retirement benefits.

The gold pass system comes from the old days of rail travel, as Senator Ray just mentioned in relation to Queensland, going right back to the 1920s. I think it actually precedes Federation. Members of parliament were given gold badges so they could get on trains when they needed to go to parliament at state level and in order to travel in an age when things were much more difficult and remuneration generally was much lower. It has persisted and built up. We now have a system where former members of parliament, all of whom are on extremely generous superannuation packages, are given free air travel at the front of the plane without too much asked about it. The one thing about the
Members of Parliament (Life Gold Pass) Bill 2002 which comes in response to public and press criticism is that it does bring in some capping mechanism. Senator Murray’s formula on behalf of the Democrats is much better—it is much tighter.

We see no justification at all for the gold pass system when, in effect, it goes to those who are the biggest superannuation earners with the biggest packages as a result of their time and privilege of serving the people of Australia. We believe it should be abolished. For example, a prime minister who has served a year, a president of this place or a speaker of the House of Representatives who has served six years, or members of parliament who have been here for several terms—which may be 14 or 15 years but can be less—can get a gold pass. This is an extraordinary ability: when you cease to be elected and therefore cease to be representing the people, to travel for a whole range of purposes that are basically self-determined, with or without a spouse—other partners are excluded under the system and will be under the amendments—all at public expense. It should not be. It should be from that public largesse which gives those great superannuation benefits to members of parliament. It is an anachronism and it is manifestly unfair.

There are members of parliament who are comparing our entitlements with the very small tip of the iceberg of the most highly paid members of the bureaucracy. Of course you can then compare entitlements with the outrageous self-indulgence of CEOs in the private sector and golden handshakes, which show appalling greed and purloining of public moneys, which we are reading so much about in the Australian press.

Again, we are looking at the tip of the iceberg. We should be comparing ourselves with the average member of our community that we represent. There is no way that they are ever going to have free entitlement to first-class travel for dozens of trips each year across the country. There is no way that Australians can feel that their parliamentarians—who, as I say, have generous incomes—should have this gold pass system added on top of that. To those members who have said, ‘The Remuneration Tribunal should determine the matter,’ the Remuneration Tribunal can only go on the basis of what we as parliamentarians hand across to them as the limits of determination. The gold pass system should not be one of those limits; it should be abolished.

If, as Senator Ray said, it is a make-up for the paucity of income for parliamentarians, let us get rid of the gold pass system and readdress that income. Let us not try to do it through a backdoor add-on way, a sort of icing on the cake that makes up for those members who, I think quite wrongly, feel aggrieved that the superannuation entitlements in this place are not good enough. The Greens believe those superannuation entitlements themselves involve far too much taxpayer backup, input, moneys. You cannot get that in the rest of the world and we parliamentarians should not have it either. But add on to that the gold pass system, and it not only smacks of but is in reality an indulgence handed to parliamentarians by parliamentarians that is unnecessary and unjustified.

Finally, for ex-prime ministers, ex-presidents, ex-speakers and long-serving members of parliament, if there is a demand for your services in this nation—people want you to make after-dinner speeches, want your presence on boards or you are given honorariums or even positions in community organisations, which do great works—that should be at the cost of the parliamentarian or the organisation or the people planning the function; it should not be at the cost of the public.

So the Greens oppose the gold pass system. I foreshadow that I will bring forward amendments on behalf of the Australian Greens that would effectively abolish the life gold pass entitlement altogether immediately on the promulgation of this legislation. Failing those amendments passing, we will of course support the Democrats’ amendments as the next best option.

Senator ABETZ (Tasmania—Special Minister of State) (10.18 a.m.)—I thank honourable senators for their contributions. The Members of Parliament (Life Gold Pass) Bill 2002 is designed to recognise community standards and limit the life gold pass
entitlement, standardise the entitlement via a single legislative instrument, enhance the integrity of the arrangements and require the forfeiture of the pass if a person found guilty of a corruption offence is the subject of a superannuation order withdrawing the employer’s contribution to the parliamentary superannuation scheme. The bill does this by recognising the requirements of accountability, flexibility and transparency.

In the course of the debate I think that it is fair to say that honourable senators shared the government objectives in putting the bill forward but that there is a range of views, as indeed there is in the community, as to where the right balance should be struck. There are those who see the pass as a carryover from a different time who would like to see it withdrawn altogether, and there are others who believe it should be expanded to include a wider range of people—that is, the de facto partner of a retired member or senator as well as legally married spouses. It has also been suggested that no limitation should be placed on those who have had an unlimited entitlement—that is, the persons who qualified for the entitlement prior to 1 January 1994.

The bill takes as its reference point the determination that the Remuneration Tribunal first made in 1993, and continued in subsequent determinations, that sets the upper limit for the number of trips per year at 25. That is the standard basic arrangement under the bill, with the unlimited entitlement of former prime ministers being scaled back to 40 trips per annum. The arrangements for widows have also been scaled back and, on the basis of experience, should meet their needs. In this context the government has considered expanding the entitlements to, for example, persons in a de facto relationship, but the government believes that it would be neither appropriate nor in accordance with the basic intention of the bill, which, as mentioned earlier, is to place a limit on the entitlement. The bill also establishes a clear automatic mechanism for the forfeiture of the pass if a person found guilty of a corruption offence is required by a court to forgo his or her parliamentary superannuation entitlement.

The overall arrangements are enhanced by clear definitions of key terms, clear processes for the transitional arrangements and for pro rata adjustments if a person becomes eligible during a financial year, clear processes for recovery action in the event of misuse of the entitlement, clear processes for restitution if a pass is restored to a person, and the constitutional safety net in the unlikely event that a court were to find that restriction of the entitlement impacted on the property rights of a former senator or member.

The bill has been brought forward in recognition of community concern about the entitlements provided to senators and members and former senators and members. In keeping with those concerns, it standardises and limits the entitlements and significantly enhances the integrity of the arrangements. The government has already commenced a process of increased transparency by tabling details of the usage of the entitlements each six months. This was done administratively.

I would like to respond to a few comments made by previous speakers. The Leader of the Opposition in the Senate suggested that this matter would be better handled by the Remuneration Tribunal. However, the real reason for the need for this bill is that the Remuneration Tribunal does not have the power to act on those who have already retired or have already received their life gold pass. It has no power to change already granted entitlements, hence the need for the bill. The appropriate body for determining who is eligible to travel using the life gold pass is the Remuneration Tribunal and not parliament. It has been the Remuneration Tribunal, and not parliament, which has set conditions of eligibility since 1976. This bill is not the way to do this. Should the definition of spouse be expanded, it would be my suggestion that that be done by way of application to the Remuneration Tribunal, although of course it would not reach back to those that have already retired.

Senator Ray made a suggestion that the Remuneration Tribunal should look at giving Comcar access to life gold pass holders. I can indicate to Senator Ray that that view had crossed my mind, and the appropriate
communication has been had in relation to that. But the Remuneration Tribunal is of the view that the life gold pass was never meant to include Comcar services. So that is the response to that matter. I thank honourable senators for their contributions.

Before concluding, I should make some comments on the Finance and Public Administration Legislation Committee’s report on this bill. I want to commend and thank the committee, and especially its chairman, Senator Brett Mason, for a very thoughtful report. I recognise that the issues raised are real ones and worthy of consideration. There are four issues I want to deal with. The first issue is the overall review of the entire remuneration package. The remuneration package provided to senators and members, including the post-retirement entitlements, has been developed and tailored over an extended period to recognise their unique role and responsibility in Australian society.

The committee is right, I believe, to recognise that the life gold pass entitlement should not be looked at in isolation. The fact that it was introduced 80-odd years ago does not mean that it is no longer appropriate. There is no doubt that it is a benefit not generally available to retired persons from other walks of life. Service in the Australian parliament is unique, and the fact that there is a facility available for retired senators and members to be able to continue their contact with the Australian community and community groups is appropriate. It is important, of course, that we recognise our special position of trust and that we honour that trust. The committee’s view that the overall entitlements package should be reviewed by the Remuneration Tribunal has been noted. However, it is not government policy to support the end of the life gold pass.

The second issue went to expanding the definition of spouse. The bill is about limiting the entitlement and applying a more rigorous regime. It would be inconsistent with the thrust of the bill to expand the coverage to include de facto spouses and thereby increase the draw on the public purse. The third issue is the definition of commercial purpose for travel. I note the committee’s conclusion that travel using the life gold pass should be confined, for all intents and purposes, to the continued provision of service to the Australian community. However, senators will know that in large measure this is the case. I believe we have to be very careful, however, that in moving to so closely specify what is an acceptable purpose the system does not become either unworkable or impossibly expensive to administer. This is, of course, a matter which could sensibly be looked at in any overall review of the entitlements framework, but it would not be appropriate to do so in isolation.

The fourth issue raised was certification and accountability. The committee has raised a number of matters for consideration under the heading ‘Certification and accountability’. These are matters relating to the implementation of the proposed legislation and its administration by the Department of Finance and Administration. The suggestions, as already noted, merit close consideration, and I note that Senator Murray has in fact moved those suggestions as a second reading amendment. I just flag at this stage that we would request that that amendment be put in two parts—first (a) to (d) and then (e) separately—as we as a government have no difficulty with (a) to (d) but we do have a difficulty with (e). I will not be seeking to divide the Senate on (e); we will simply record our opposition to it.

We oppose (e) because it would impose a higher standard of public disclosure on life gold pass holders than applies to current members of parliament. It seems to me that it would not be appropriate for the parliament to do that to life gold pass holders when we do not do it to ourselves. Those of us who are actually in public life should be very accountable, but often our spouses are not necessarily interested in the public notoriety that we sometimes attract. So for privacy reasons and other reasons, we as a government are of the view that (e) would be inappropriate. As the debate continues, I would invite the opposition in particular to give consideration to whether it is of benefit to agree to paragraph (e) in the amendment moved by Senator Murray. I note that the committee’s report supports the passage of the bill, and I commend the bill to the Senate.
The ACTING DEPUTY PRESIDENT (Senator Watson)—Before putting Senator Murray’s second reading amendment in two parts, I wish to make an interest declaration that, although I am a serving senator, I have an entitlement to a life gold pass on retirement. The question is that Senator Murray’s second reading amendment paragraphs (a) to (d) be agreed to.

Question agreed to.

The ACTING DEPUTY PRESIDENT—The question now is that paragraph (e) of the second reading amendment moved by Senator Murray be agreed to.

Question agreed to.

Senator ROBERT RAY (Victoria) (10.30 a.m.)—Mr Acting Deputy President, just before you put the question that the bill be read a second time, I should declare that I also qualify for a gold pass, but I did not get to my feet because this restricts my benefits rather than enhances them.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (10.30 a.m.)—On the same point: I do not yet qualify for a gold pass, but I do not think that is particularly relevant. A number of senators who are not present in the chamber do qualify for a gold pass and have not made such a declaration. I think you would appreciate that, Mr Acting Deputy President. The point that Senator Ray makes is valid, but we need to note that a range of senators would be in that position. Given these matters have been looked at now by both the Procedure Committee and the Senators’ Interest Committee and that new approaches have been developed to deal with these sorts of declarations—apart from the general political point that Senator Ray makes—it is well understood that there is not a requirement in this circumstance for all those senators on both sides of the chamber and on the crossbenches who may be affected by this to make such a declaration.

Senator BROWN (Tasmania) (10.31 a.m.)—by leave—Just adding to that, Mr Acting Deputy President: all of us have a potential interest in this and therefore a real interest. What Senator Faulkner said applies to every member of the Senate, and I think that is understood.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator MURRAY (Western Australia) (10.32 a.m.)—by leave—I move Democrat amendments (1) and (3) on sheet 2661, revised 2:

(1) Clause 3, page 3 (line 12), second dot point, after paragraph (b), insert:

(c) a member of Parliament other than a Prime Minister who first commences his or her term as a member of Parliament in the next Parliament to commence after this Act comes into operation will not be entitled to hold a Life Gold Pass.

(3) Page 12 (after line 3), at the end of clause 11, add:

Cessation of entitlement

(4) A member or former member other than a Prime Minister who first commenced his or her term as a member of Parliament in the next Parliament to commence after this Act first comes into operation is not entitled to hold a Life Gold Pass.

I will make only a few brief remarks because the issues concerned have already been canvassed. The amendments address three issues. The first issue is a rejection of the concept of the life gold pass and a belief that it should be ended. The second component is that the matter should be grandfathered—in other words, it only apply prospectively from the date of the next parliament. In doing so, not only do I recognise a longstanding Senate view on all forms of legislation that retrospectivity should be avoided wherever possible and the difficulties of contract so addressed, but also I recognise the reality that, the further back you go in decades, the less well remunerated parliamentarians were, and in fact in far distant days this was regarded as a form of compensation. The third component is that the office of Prime Minister is excluded. That is based on our belief, which is a little more charitable than I understood Senator Ray to imply, that former prime ministers have a status, meaning and
position in our society which justifies further remuneration for performing public office. Although I must stress that, although the amendment does not say so, it is our belief that that should be an executive cost and not a benefit or entitlement cost. I have not tried to address that as that would be too complicated at this time. So, unless there is going to be a lot of debate about these issues, I will restrict my remarks to those.

Question negatived.

Senator MURRAY (Western Australia) (10.35 a.m.)—I move Democrat amendment (R2) on sheet 2661, revised 2:

(R2) Clause 4, page 5 (lines 14 and 15), omit the definition of *spouse*, substitute:

*spouse* in relation to a person, includes another person who, although not legally married to the person, lives with the person on a permanent bona fide domestic basis.

At a quick glance, I could not see a difference when the revised sheet was circulated, but it refers to a different clause and places it in a better part of the act. So that was useful. This amendment arises, as did my second reading amendment, from the unanimous committee report. At page 25 of the committee report, the committee said the following with regard to the definition of spouse:

The Committee notes the widespread opposition to the proposed definition of spouse in Clause 4, Part 1 of the Bill. The Committee considers that the definition of spouse is too limited and should be broadened to reflect current mores. The Committee also notes that, while in accord with the definition applied by the Remuneration Tribunal, the definition is inconsistent with that in the Parliamentary Entitlements Act 1990. It considers that consistency should be pursued in definitions applying across related legislation, wherever possible, and that it would therefore be appropriate for the definition in the proposed Bill to be consistent with that in the Parliamentary Entitlements Act 1990. The financial implications of extending the definition can be expected to be minimal.

The Committee recommends that the definition of spouse be amended so as to be consistent with the definition applying in the Parliamentary Entitlements Act 1990. That is, that spouse, in relation to a member, includes a person who is living with the member as the spouse of the member on a genuine domestic basis although not legally married to the member.

As I understand the amendment to be moved by the Leader of the Opposition in the Senate, that is precisely what the Leader of the Opposition in the Senate has done. However, when I looked at the amendment, I thought it was inconsistent, and since I am neither a lawyer nor a marriage celebrant—

Senator Robert Ray—Win-win!

Senator MURRAY—‘Win-win’ says Senator Ray. I accept the interjection. I think that there may be some definitional meanings to it. It seems to me that if you are not legally married you cannot really be a husband or a wife, so I thought it was appropriate to drop that out. I also had regard to the Senate standing orders and interests definition that was introduced with the specific intervention and wording of the Leader of the Opposition. That has the definition as a ‘partner’, meaning a person who is living with another person in a bona fide domestic relationship. Already, in terms of parliamentary declarations, they have gone in the direction which my amendment goes. Simply put, whether you are de facto or same sex, you cannot really be ‘liberated’, I guess, by the opposition’s proposed amendment. Nevertheless, if my amendment gets knocked off, I will be supporting the opposition’s amendment because it is an improvement on the current situation and does in fact advance the cause of greater consistency between legislative definitions. In summary, the definition proposed will enable people who are not married but who live on a bona fide domestic basis to access the scheme. My expectation of that is that it would be an additional financial cost, but of a lower order. Despite our opposition to the life gold pass, this is an issue of equality and equity. You cannot have one set of people able to access provisions under the law and another set not.

Senator BROWN (Tasmania) (10.40 a.m.)—On behalf of the Greens, I support the amendment. The gold pass comes out of the steam train age and so does the definition of spouse in the legislation. As you know, I too am opposing the *Members of Parliament (Life Gold Pass) Bill 2002* overall, or rather amending it to abolish the gold pass, but this
amendment by Senator Murray on behalf of the Democrats should be supported. I note that recently the Tasmanian government has moved to redefine the law, for superannuation and other purposes, to include all supportive relationships. It goes beyond those that Senator Murray just mentioned to include people who have long-term supportive relationships which do not involve sexual relationships at all. The question is: why should people who have lived for decades supporting each other be denied the opportunity to transfer benefits on their death to the surviving partner in such a relationship? This parliament is way behind Tasmania in that regard. It should catch up. I think the Labor Party should be supporting this amendment, if it is to be true to its policy base. I think the government should be supporting it as well. The Greens will be.

Senator Faulkner (New South Wales—Leader of the Opposition in the Senate) (10.41 a.m.)—Senator Murray, in moving his amendment to the Members of Parliament (Life Gold Pass) Bill 2002, makes the argument for consistency. One of the difficulties is that there is no consistency between the definition that Senator Murray proposes and what currently exists in the Parliamentary Entitlements Act, though I do accept the point that he makes about the procedures that operate within this chamber itself. That is a valid point to make and I acknowledge it. The opposition, like Senator Murray, Senator Brown and the Senate committee, have concerns with the definition that is proposed in this legislation. If the definition of spouse as proposed in the bill were to stand, we would have this antiquated definition; we would have an anomaly between this legislation and what exists in the Parliamentary Entitlements Act. I think that is the best course of action for the committee—although I support the spirit of what Senator Murray proposes. But even with Senator Murray’s definition there is still a difficulty in terms of consistency, something which he himself put forward as a primary concern in looking at this issue.

The opposition has proposed an amendment that in effect would mean that the definition of spouse would be the same as exists in the Parliamentary Entitlements Act. I think that is the appropriate course of action, although I support the spirit of what Senator Murray proposes. But even with Senator Murray’s definition there is still a difficulty in terms of consistency, something which he himself put forward as a primary concern in looking at this issue.

The opposition has proposed an amendment that in effect would mean that the definition of spouse would be the same as exists in the Parliamentary Entitlements Act. I think that is the best course of action for the committee and the Senate to adopt, and to look at the broader issues as soon as is practical. I commend that alternative approach to the committee—albeit, as I say, I am reluctant to move any amendments here because of the principles that I outlined in my speech at the second reading stage.

Senator Abetz (Tasmania—Special Minister of State) (10.47 a.m.)—The approach the Democrats are taking on this is somewhat interesting. They have just moved some amendments to abolish the life gold pass for any future senators or members, and
then in their next brief they are moving amendments that will enhance the benefits for current serving senators and members. With respect, I do see some inconsistency in that. Saying, ‘Life gold passes are bad and therefore ought to be abolished in the future, but whilst we are at it, just in case we might qualify, we will ramp up the benefits to ourselves,’ is not something that I think is conducive to capturing the support and confidence of the public in discussing these matters. Make no doubt about it: this proposal will in fact mean a greater take from the public purse. An extra cost will be occasioned to the Australian taxpayer and, while the purpose of this bill is to try to limit the cost, I know a follow-up amendment is being put forward by the opposition which would have the same effect.

Can I also draw the attention of honourable senators to a defect which I believe is contained in both Senator Murray’s and Senator Faulkner’s amendments. Where the amendment says ‘spouse in relation to a person, includes’ it must be considering the possibility of other definitions or possibilities. It is not trying to cover the field; therefore, potentially under both Senator Murray’s and Senator Faulkner’s amendments you could have the possibility of somebody being legally married still and having a de facto spouse, and both of them benefiting from the amendments that are being put forward today. I accept as a matter of practicality that those circumstances would be limited. Given that spouse travel has to be on the basis of accompanying the spouse somewhere, it is unlikely that the married spouse plus the de facto would accompany the senator or member to a particular destination, but the way these clauses are drafted—somewhat clumsily, might I suggest respectfully—does allow for that possibility.

More seriously than that, though, I would draw honourable senators’ attention to clause 31 of the bill, which deals with the appropriation. To make the amendments the Senate can at best, in my respectful view, request under section 53 of the Constitution that such a change be made. I do not believe that it is within the province of the Senate to simply move an amendment to a bill which will have monetary consequences and thereby seek to overcome section 53 of the Constitution. Merely expanding the definition of spouse would appear to lead to a greater amount being paid out under the bill when it is passed by the parliament, if it were to be passed. If that is the case, in accordance with the terms of section 53, the Senate may not make such an amendment. However, in accordance with section 53, the Senate may request that such a change to the definition of spouse be made.

It also seems that the possible change to the definition of spouse would probably be a law for the appropriation of revenue or money within the meaning of section 56. This would be on the basis that, irrespective of whether any proposed changes to the bill in the Senate would lead to an overall increase in the amount being paid out under the bill when it is passed by the parliament, there has been a change to the destination of the appropriation because another class of persons will share in the entitlements conferred under the bill. On the basis that section 56 was applicable, another message from the Governor-General would be required. I draw those matters to the attention of Senator Murray because we are currently discussing his amendment, but I also submit that to Senator Faulkner for his reflection if and when we come to his amendment.

Senator Harradine (Tasmania) (10.53 a.m.)—First of all, I need to declare an interest. I think I am a holder of a gold pass but I think I have lost it. When I first came here, they gave us a gold pass. I was pretty strapped for cash then. I showed it to tram conductors in Melbourne and they seemed to recognise it and okayed it. I know that was a bit stingy, but I could not have paid him a zack.

Senator Faulkner—You wouldn’t get away with it now.

Senator Harradine—No. Ultimately, there was a connie who did not recognise it. When I first came here, they gave us a gold pass. I was pretty strapped for cash then. I showed it to tram conductors in Melbourne and they seemed to recognise it and okayed it. I know that was a bit stingy, but I could not have paid him a zack.

Senator Murray—Can I borrow it, Brian?

Senator Harradine—If I can find it, you are welcome to it. It is somewhere in the files in my office and, when I get out of this
Senator Abetz—Bushwalk instead of fly.

Senator HARRADINE—Bushwalking, yes. Having made that declaration, I refer to the fact that the taxpayer is going to fund whatever entitlements there may be. I am not an expert on parliamentary entitlements, but the definition of spouse is an important one. It is not a question of discrimination; it is a question in this instance of a piece of legislation which is consistent with the provisions in the key legislation—that is, the Family Law Act. The Family Law Act indicates that marriage is the union of a man and a woman voluntarily entered into for life. Spouse here, as defined in relation to a person, means a person legally married—a legally married husband or a legally married wife. Not only is that a very deep matter to be considered from a societal point of view but also I would have thought it quite easy under these circumstances to identify who the spouse is—that is, the person who is a legally married husband or a legally married wife—whereas Senator Murray’s amendment, which relates somewhat to Senator Faulkner’s amendment, says:

*spouse* in relation to a person, includes another person who, although not legally married to the person, lives with the person on a permanent bona fide domestic basis.

I do not know whether the Clerk of the Senate or whoever will be responsible for administering this measure will have to find that out. It is a pretty difficult one. I do not know whether it is meant to include, for example, a daughter of a member of parliament whose spouse has died. Would you call the daughter, for the purpose of this legislation, a spouse? They are important things to be considered. I have been through this; I have been there and done that. We do have to consider the ramifications because they are quite serious ramifications in that respect.

Senator Faulkner—Help, help.

Senator HARRADINE—Help, yes.

Senator MURRAY (Western Australia) (10.58 a.m.)—I should not entertain you any longer, but on this question of being legally married I have been married now for over 30 years. I was first married by a district commissioner in Rhodesia under the illegal regime of Ian Smith. I then discovered that, because the Brits took a particular view of that constitutional act, they thought I was not legally married. Because I needed to access their taxation provisions, I thought it was wise to be remarried in Oxford in a registry office. I have made doubly sure that I am legally married! I suppose the point in all this is that I have no self-interest in this amendment of mine. I just think it brings the act up to modern reality. But I recognise the numbers and I will not be dividing on the issue.

Question negatived.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (10.59 a.m.)—I move opposition amendment (1) that has been circulated on sheet 2667 revised as a request:

(1) Clause 4, page 5 (lines 14 and 15), omit the definition of *spouse*, substitute:

*spouse* in relation to a person, includes another person who, although not legally married to the person, lives with the person on a bona fide domestic basis.

I have spoken to this and I have argued the case for this preferred course of action as opposed to the one that we have decided not to progress—the amendment that was moved by Senator Murray. The advantage of this, which certainly deals with the issue that Senator Harradine has raised—if there was an issue in what he raised; that is a matter for another day and is certainly a matter for another debate—is that it ensures that we have consistency with the definition of spouse in the Members of Parliament (Life Gold Pass) Bill 2002 and the Parliamentary Entitlements Act. As I said, if we do not do that, there will be an anomaly.

It is the view of the opposition and the Senate Finance and Public Administration Legislation Committee—which of course did not have an opposition majority—that looked at this bill and submissions to the committee that there needs to be a change to the antiquated definition that was proposed in the
The opposition feels the sensible way of dealing with this is to have the same definition apply in this bill that applies in the Parliamentary Entitlements Act.

Senator ABETZ (Tasmania—Special Minister of State) (11.01 a.m.)—As indicated earlier, the government opposes this request on the basis that it will, if passed and implemented, in fact increase the take from the public purse. It will be interesting to see what the approach of the Australian Democrats is on this request, given that they are so opposed to the life gold pass and are moving amendments seeking its abolition. I would be astounded if they were to support any amendment or request that would then enhance the life gold pass for those who are currently in the Senate or the House of Representatives. With great respect to the Australian Democrats, if they were to take such a course there would be a gross inconsistency in their approach.

I also remind honourable senators of the definitional problem where the wording refers to ‘includes another person’. In other words, it is not exclusive; it is inclusive. Therefore the scenario that I put before is a real live issue: it is legally possible for a person to have a married spouse and also a de facto spouse. Under this definition, if the Labor Party and the Democrats were to vote for this request, they would be saying it is appropriate for members and senators who qualify for the life gold pass to be allowed to trip around Australia not only with their married spouse but also with their de facto spouse. I think even the few hairs on Senator Murray’s head and my head might curl at such a prospect.

I indicate to the committee, as I said before, that I accept that the likelihood of that occurrence is very limited. If it were a male member or senator, he would be a lot braver man than I would dare to be—I would be more than happy to travel with my wife, of course. It seems to me that that is a possibility under the request and needs to be dealt with. I do not think it would make for a good public image for senators and members if we passed amendments knowing that that was a real possibility. That would be the outcome if this request were acceded to, and I doubt that the government would accede to the request.

I do not think it is a good proposition for us to put to our fellow Australians, at a time when this bill is all about limiting life gold pass entitlements, a request seeking to increase the entitlements. The government will be opposing the request.

Senator MURRAY (Western Australia) (11.05 a.m.)—The Special Minister of State is self-evidently a member of the governing party. This request by the Leader of the Opposition in the Senate, Senator Faulkner, in fact results from a unanimous recommendation from the Senate Finance and Public Administration Legislation Committee, which was chaired by a member of the government. In other words, members of your own party take a different view to you, Minister. The committee said at 3.14 on page 25 of its report:

The Committee recommends that the definition of spouse be amended so as to be consistent with the definition applying in the Parliamentary Entitlements Act 1990. That is, that spouse, in relation to a member, ‘include[s] a person who is living with the member as the spouse of the member on a genuine domestic basis although not legally married to the member’.

So there is not a uniform view in the government on this. The position of the Australian Democrats is perfectly clear. We oppose the life gold pass provision, for reasons we have put on record extensively elsewhere and today. We have also consistently supported equality under the law and we believe that as far as possible you should be consistent in legislation. There is no contradiction between opposing a provision but saying that if the provision is going to continue to apply it should apply equally.

Make no mistake: the consequence of this would be that someone who is in a loving relationship with a person on a bona fide domestic basis would access these entitlements, whether they are married or not. This parliament and this country—all parliaments and courts in this country—accept the validity, both on an emotional and personal basis, of de facto relationships as much as de jure relationships. I happen to be in a de jure relationship. That is my choice and my attachment. But I certainly do not seek to im-
pose any negative views on those who wish to pursue a de facto relationship on exactly the same basis. So I see no inconsistency.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (11.08 a.m.)—I can only say this: I have no enthusiasm for this debate at all and I suspect, from the nature of the debate in the chamber here this morning, very few others do. We are dealing with the Members of Parliament (Life Gold Pass) Bill 2002 because it is on the government’s legislation program, but I think that the minds of senators and, I suspect, most Australians are very much elsewhere at this stage. This request is a minor improvement to the legislation that the government has brought in. It makes this bill consistent with an act of parliament that the government has not tried to change—the Parliamentary Entitlements Act. I think it is a sensible request. As I said, I have absolutely no enthusiasm for the debate and I suggest that we just get on with it.

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

The Senate divided. [11.13 a.m.]
(The Deputy President—Senator J.J. Hogg)
Ayes………….. 31
Noes………….. 30
Majority……….. 1

AYES
Bartlett, A.J.J.
Brown, B.J.
Campbell, G.
Cherry, J.C.
Conroy, S.M.
Crossin, P.M.
Forsyth, M.G.
Hogg, J.J.
Lees, M.H.
Lundy, K.A.
Marshall, G.
Moore, C.
Nettle, K.
Ridgeway, A.D.
Stephens, U.
Webber, R.

NOES
Abetz, E.
Boswell, R.L.D.
Campbell, I.G.
Coonan, H.L.
Ferguson, A.B.
Harradine, B.
Johnston, D.
Knowles, S.C.
Macdonald, L.
Mason, B.J.
Minchin, N.H.
Payne, M.A.
Scullion, N.G.
Tierney, J.W.
Vanstone, A.E.

Barnett, G.
Brandis, G.H.
Colbeck, R.
Eggleston, A.
Ferris, J.M. *
Heffernan, W.
Kemp, C.R.
Lightfoot, P.R.
Macdonald, J.A.L.
McGauran, J.J.J.
Patterson, K.C.
Reid, M.E.
Tchen, T.
Troeth, J.M.
Watson, J.O.W.

PAIRS
Bishop, T.M.
Dennan, K.J.
Evans, C.V.
Hutchins, S.P.
Wong, P.

Alston, R.K.R.
Chapman, H.G.P.
Ellison, C.M.
Calvert, P.H.
Hill, R.M.

* denotes teller

Question agreed to.

Senator O’Brien did not vote, to compensate for the vacancy caused by the resignation of Senator Herron.

Senator BROWN (Tasmania) (11.17 a.m.)—The Australian Greens oppose clauses 3 to 35 and schedule 1 in the following terms:

(2) Clauses 3 to 35 and schedule 1, page 4 (line 4) to page 41 (line 7), clauses and schedule, TO BE OPPOSED.

I seek leave to move Australian Greens amendment (1) and amendments (3) to (5) on sheet 2666 together.

Leave granted.

Senator BROWN—I thank the committee. I move:

(1) Clause 2, page 2 (line 1) to page 3 (line 3), omit the clause, substitute:

2 Commencement
This Act commences on 1 January 2003.

(3) Page 3 (after line 3), after clause 2, insert:

3A Abolition of Life Gold Pass entitlement
The entitlement known as a Life Gold Pass is abolished by this Act.
A bill for an Act to abolish the Life Gold Pass entitlement

These amendments abolish the life gold pass for members of parliament. I have put the case for the abolition of the gold pass altogether. I reiterate that it applies to long-serving members of parliament, prime ministers and presidents of the Senate. It applies to prime ministers who have served for a year, presidents of the Senate and speakers of the House of Representatives who have served for six years and other members who have served for seven terms—on average, somewhere between 12 and 21 years. It therefore goes to those members who have the biggest superannuation handshake when leaving the parliament and who are already very highly subsidised by the taxpayers. The gold pass on top of that is not necessary. The income is there for those long-serving members and former prime ministers to be able to travel under their own steam. Many of the events they go to are funded by organisers who wish them to attend in any case. We believe that the gold pass should not be part of the entitlements of parliamentarians or ex-parliamentarians and we seek to have it abolished as of 1 January 2003.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (11.20 a.m.)—The view of the opposition, as I think I indicated in my speech at the second reading stage, is that these matters are best considered by the Remuneration Tribunal of the parliament.

Senator ABETZ (Tasmania—Special Minister of State) (11.20 a.m.)—I simply say ditto.

Senator BROWN (Tasmania) (11.20 a.m.)—I simply disagree with that. We parliamentarians ultimately determine what the Remuneration Tribunal deals with and we should take this off its agenda.

Senator MURRAY (Western Australia) (11.20 a.m.)—For the record, I repeat that the Australian Democrats regard the life gold pass as an anachronism that should be done away with as soon as possible.

Senator HARRADINE (Tasmania) (11.20 a.m.)—I would have to agree. I am not sure how it will affect me, or anybody else for that matter, but I think it is a bit of an anachronism. When I first came here many years ago—this is my 28th year in the parliament—we were told that the gold pass we were given then could be used to get into the MCG. If you could use your gold pass to do that these days, I might vote for it. Seriously, though, I think there is a case for abolishing the gold pass. I just wonder whether the minister could enlighten us as to whether or not frequent flyer points could be used and expended before payment is made for the other entitlements. I am not sure what ought to be the case now—which frequent flyer points can be used even now. You obviously cannot get a seat on a flight to or from Canberra when we come here because they are always chock-a-block. I would like to be informed as to why all those frequent flyer points should not be expended by the holder of a gold pass on retirement before the entitlement kicks in.

Senator ABETZ (Tasmania—Special Minister of State) (11.23 a.m.)—Senator Harradine raises a good point. The situation in relation to members of parliament and also life gold pass holders, as I understand it, is that if you gain frequent flyer points they should be used only for the same purpose as the travel that got you those frequent flyer points—in other words, for us, it would be for our parliamentary and other business. I think most people would accept, especially in the current environment, that there is great difficulty in seeking to access frequent flyer points. One person in Hobart recently told me that they could use their frequent flyer points to get to Canberra but they would have to fly to Brisbane and then back to Canberra, because there were a few empty seats on a flight from Brisbane. So the use of frequent flyer points is very often grossly inconvenient and does not allow you to match up flights for your purpose—I know that, from time to time, my staff time have looked at it and there are real problems with it. But the concept and the idea is a good
one, and I would encourage life gold pass holders to use their frequent flyer points to lessen the cost to the Australian taxpayer.

Senator BROWN (Tasmania) (11.24 a.m.)—Senator Harradine has made a good point. Also, I cannot go past the very ethical contribution that he just made to the debate. I had a gold pass as a member of the Tasmanian parliament, and at the time that entitled us to train travel but not to air travel. I remember going to a meeting in Wagga which had an environmental purpose, but I could not get a train so I hitchhiked up the Hume Highway. At the first junction where you turn off to go to Wagga, north of Albury, I climbed into a semitrailer and found that my gold pass had gone missing somewhere along the route. Anybody in that area with one of those metal detectors might find a Tasmanian gold pass on the junction of the highway there somewhere. So I used to have a gold pass but it was very much more restricted than the matters we are talking about here.

The TEMPORARY CHAIRMAN (Senator Collins)—The question is that the clauses stand as printed.

Question agreed to.

The TEMPORARY CHAIRMAN—The question now is that the amendments be agreed to.

Question negatived.

Bill agreed to, subject to request.

PETROLEUM (SUBMERGED LANDS) AMENDMENT BILL 2002

Second Reading

Debate resumed from 15 October, on motion by Senator Ian Campbell:

That this bill be now read a second time.

(Quorum formed)

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (11.30 a.m.)—It is a pleasure to speak, albeit briefly, to this legislation. It would be an even greater pleasure if I were able to give the sort of contribution on the Petroleum (Submerged Lands) Amendment Bill 2002 that will be forthcoming from Senator O’Brien, who will be speaking on behalf of the opposition. It is appropriate that this particular bill receives the exhaustive examination that will be forthcoming in the chamber. In order to see that occur, I give way to my colleague Senator O’Brien, whose erudite contribution, I am sure, is looked forward to by all.

Senator O’BRIEN (Tasmania) (11.32 a.m.)—Last night in regard to the Petroleum (Submerged Lands) Amendment Bill 2002 I was talking about the Sunrise field in the Timor Sea and the current debate about whether the gas in that field should be exported from a floating facility or brought to an onshore facility in Darwin and used for domestic gas purposes. If we had such a policy in this country, while some would argue that government intervention might cause a flight of capital and leave our reserves unexploited, the finite non-renewable reserves are not going to dissipate in the short time span that we would be talking about in human terms. We are talking about the resources laid down in a geological form which have existed for many, many years. In the context of the life of these assets, whether they are exploited this year, the year after or in a decade’s time is hardly relevant. As was argued by my colleague Mr Fitzgibbon in the other place, we are not suggesting for a moment that the exporting of gas from a floating LNG facility is a bad thing for Australia. The real issues are whether it is in the national interest, whether it will return a maximum benefit to Australians and whether exporting from a floating facility is a better proposition for Australia than bringing that gas to an onshore LNG facility and using it for domestic purposes.

I touched upon the issue of the Northern Territory’s interest in this matter. The Northern Territory has long struggled in an industrial sense. It has long relied on the Commonwealth to keep its economy turning over, if not humming along. It has had its moments economically in terms of boosts in tourism and property investments in the Darwin property sector following the cyclone and the build up of the construction work force that resulted from that, the developments in the uranium province and the advances which
were brought into the tourism industry by the development of the casino in Darwin. All of the ups and downs that the Territory has faced are due to the fact that the extractive industries have been of assistance and the tourism industry has been of assistance to it, but there has been no long-term industrial base for the Territory to harness as a basis for a more permanent population, to drive its economy and ultimately to make it less reliant upon the resources of the Commonwealth.

I am sure the Northern Territory and Territorians generally would prefer to be self-reliant. They would prefer, perhaps driven by the industrial base, that they were in a position to attract further major investment and further infrastructure development. Manufacturing itself could well be facilitated by the delivery of a domestic gas option into the Darwin market. It is proposed that, if that took place, at least potentially there would be the ability to distribute that gas to other parts of the country—to link into the Cooper Basin, for example. These may be options which have significant difficulty in terms of financial viability, at least in the short term. One never knows what is required in the long term, given the fact that we have significant resources of natural gas in the south-east of Australia but the Cooper Basin gas fields have a finite life. Apart from the North West Shelf, there are not too many other options at this stage to supply the main population centres of Australia with domestic gas.

We do not believe, therefore, that the government is doing enough to ensure that the national interest that I was talking about has been properly focused with respect to the Sunrise gas fields. We believe that the government should do more because, at the end of the day it is proven that domestic gas from Sunrise is not commercially viable, the opposition will accept that. I guess it would be disappointing but there is no point in pursuing an option that is only going to see companies lose money, because no company is going to invest in the proposition and no government can leverage development on the basis of a financially deficient option.

Having said that, the opposition is not convinced that enough has been done or that enough encouragement has been given to the joint venture partners in the Sunrise project to look sufficiently closely at the prospect of bringing gas onshore, not only for the purposes of the Northern Territory but also because there is some doubt about the proposal to bring gas from Papua New Guinea and down the coast of Queensland to fuel areas like Mount Isa, where a considerable amount of work can be done in terms of value adding to our product that cannot be done without a reasonably priced source of energy. These are additional things that can be done, and this bill is a small step in the right direction, but, as I said earlier, it does not go far enough.

I think the opposition will be in a position to support this bill. We will listen carefully to the views of others in relation to any proposed amendments. I have heard that there may be some but, essentially, we are happy to give our support to the amendments proposed in this bill. We will consider others but we will not be obstructing the passage of the bill.

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (11.40 a.m.)—I speak on behalf of the Democrats on the Petroleum (Submerged Lands) Amendment Bill 2002. We have some amendments that have been circulated and that we will be moving shortly in relation to the bill. The amendments are designed to deal with a concern of the Democrats that the purpose of the act and this bill is simply to further encourage offshore oil exploration without reference to environmental protection, climate change or the imperatives of sustainability. It is this that the Democrats believe needs addressing.
The Petroleum (Submerged Lands) Act is over 35 years old. It has been amended over 40 times. It is an act from a previous age and it is clear that it sits apart from some fundamental environmental and sustainability issues. Recently there was a national competition policy review of the act that produced some 26 recommendations for changes. This amendment bill implements only two of those recommendations. The government has committed to rewriting the act, partially on technical and syntactical grounds and partially on matters of substance. For instance, one of the recommendations of the review was a rewrite of the objects of the act. While the Democrats do not support all the recommended changes, which occur totally outside any context of ecologically sustainable development and are purely in terms of industry competitiveness, we are firmly of the view that if you are going to rewrite the act you should do it as a single, integrated exercise. If you are going to revise an act on a piecemeal basis, it is fundamental that you begin with the objects of the act. That is where you set out the direction and purpose of an act and the changes you are making to it. That is why the Democrats have circulated amendments to the objects of the act.

This amendment bill amends not only on a piecemeal basis but also, in our view, on an ad hoc basis. It is the whole act that should be reviewed. The government has committed to rewriting the whole act. The NCP review was a review of the whole act. The strategic assessment under the Environment Protection and Biodiversity Conservation Act is also an assessment of the whole act. Why, then, do we have an amending bill that contains ad hoc amendments? Is it the case that the government intends to dribble out the entire rewrite of the act section by section until, almost without our being aware, we will have a whole new act in front of us? Is the government trying to pass an act in small bits because it appears that the individual components seem more innocuous than a comprehensive overhaul of what is, let us not forget, a significant act? Surely it makes more sense to envisage its workings as a whole and to integrate the various elements of the act as fully as possible.

So the Democrats are tabling amendments that institute an objects clause in the Petroleum (Submerged Lands) Act. The provision of the objects clause is self-evident: it is to create a legal structure that relates to the exploration for, and exploitation of, offshore oil within a framework of ecologically sustainable development—that is, the offshore oil industry should be encouraged, facilitated and regulated in a way that ensures that the environment is properly protected.

No doubt the response from the government will be that environmental considerations are already assessed within the act itself and under the EPBC Act. However, the reality is that the level of environmental assessment occurs only after certain exploration and exploitation decisions have already been made. One of the fundamental purposes of ecologically sustainable development principles is that ecological matters are integrated into legislation in such a way that all decisions operate within that comprehensive framework. For example, decisions to release areas under the Petroleum (Submerged Lands) Act are not an action for the purposes of the federal environment protection act. In other words, no environmental assessment occurs until actual physical activity is proposed for the area, and then only if that activity is likely to have any impact on a matter listed as being of national environmental significance. This means that environmental matters do not actually get considered at the beginning of the decision making process, only after some fundamental decisions have been arrived at.

The decision to release lands under the Petroleum (Submerged Lands) Act invests certain rights in parties with leases over land. Impact assessment, if it occurs, takes place within a development stream. This means that the impact assessment is more likely to be about mitigation than about good environmental decision making in the first place. This is not simply an academic criticism. As some senators may be aware, I have recently released material in this place that sets out the extent to which offshore oil exploration is, and has been, conducted in the Coral Sea adjacent to the Great Barrier Reef. Those materials make it clear not only that
the exploration is proceeding, much of it under the guise of science, but that government agencies have been party to it—they have misled the Senate regarding their activities and their intentions—and that all of this is leading to a release under this act of lands in the seas adjacent to the Great Barrier Reef Marine Park. This should not be happening outside the public eye. It should not be happening under an act in which environmental concerns are secondary.

The whole story of the complicity of Geoscience Australia in the oil industry’s interest in the Coral Sea highlights the desperate need for offshore oil exploration legislation that is responsible, accountable and public and cannot assert and grant exploration rights by stealth. The Democrat amendment is a small statement of that need. And, as I have said, we need to reform the entire act, and doing that is not negated by this amendment. Whilst the amendment does not go as far as it should, it does provide a context in which the government can begin to form a strategic overview of broad ecological considerations and begin to consider some of the implications associated with the offshore petroleum industry, such as climate change and coral bleaching. It also provides a context for public involvement, from the earliest stages, in decisions regarding petroleum drilling. Given the potential ecological consequences of opening up areas for oil exploration and exploitation, particularly in areas adjacent to such sensitive regions as the Great Barrier Reef, the Democrats believe it is crucial that the act used to open up those lands, the Petroleum (Submerged Lands) Act, does have a more comprehensive environmental component within its objectives. That is the reason behind the amendment which I will move when we get to the committee stage of the bill.

**Senator FORSHAW (New South Wales)**

(11.47 a.m.)—I rise to say a few words in respect of the Petroleum (Submerged Lands) Amendment Bill 2002. My colleague Senator O’Brien has indicated that the opposition will support this legislation. I rise to contribute to this debate because it is an area in which I had extensive interest and involvement prior to coming into the Senate. As an official of the Australian Workers Union, I was directly involved for many years in representing workers employed on offshore facilities around Australia. That extended from the initial stages of surveying and oil exploration and offshore oil-drilling activities on rigs through to the operation of the production platforms such as exist in Bass Strait and the North West Shelf—for example, the North Rankin platform. Also in the latter years of the development of the Australian offshore oil and gas industry we saw the introduction of the floating facilities—namely, the Jabiru Venture and the Chalkis Venture in the Timor Sea. I had the opportunity, as I said, to represent the employees in that industry for many years and to visit all of these locations.

The future of the petroleum industry, particularly the production of our own oil and gas within Australia, both onshore and offshore, is of fundamental importance to the economy of this country and to its future. We have seen its importance in more recent times with the signing of the contract with the Chinese for the LNG project on the North West Shelf. The fact is that much of the oil and gas produced in Bass Strait is utilised within Australia, and many of our refineries and production facilities around Australia had to be upgraded some years ago to take Bass Strait crude. In contrast, much of the gas that comes out of the North West Shelf is exported. These issues again have arisen in respect of the Sunrise venture off the northern coast of Australia.

The legislation that regulates our offshore oil and gas industries is complex. Indeed, this is an area where there has to be, and there is, cooperation between the state governments and the Commonwealth government. As we know, the Commonwealth’s power—and Australia’s right to explore for and to extract the oil and gas resources off our coastline—has its origins in international conventions covering the rights to explore the resources on our continental shelf. Indeed, that was the genesis of the very legislation that was passed in the sixties—the petroleum legislation—and the Seas and Submerged Lands Act.
I particularly recall in 1994, after the great tragedy that occurred on the Piper Alpha platform in the North Sea, having the opportunity to go to an international conference in Geneva which was looking at the occupational health and safety of offshore oil and gas workers. At that time it was decided that we needed to implement international best practices. Arising out of the Cullen report in the UK and that conference, federal and state governments in Australia all agreed to improve the whole area of offshore health and safety regulation. It was a great cooperative effort at that time. It raised a whole range of legal questions that needed to be resolved.

I make these points because I welcome the commitment by the government to have a review of this legislation. I think that, in doing so, it will pick up some of the environmental issues that have been raised by Senator Bartlett. The legislation as it stands goes a small step towards that ultimate goal of reviewing all the associated legislation. I think that is certainly something that should be welcomed. It is, as I said, crucial to the future of our economy and of the industry, and it is particularly important to all present and future employees of this most vital industry.

Senator ABETZ (Tasmania—Special Minister of State) (11.54 a.m.)—I thank all honourable senators who have contributed to the debate. Both policy amendments in the bill are economically and socially desirable. The reduction in the maximum number of renewals of the petroleum exploration permit will encourage increased exploration for petroleum in Australia’s marine jurisdiction by preventing exploration acreage from being tied up for long periods. The second policy amendment in the bill will reduce potential compliance costs for the industry by reducing the number of times the holder of a retention lease can be required to re-evaluate the commerciality of the discovery. With these amendments we can say that Australia’s main offshore petroleum legislation is made compliant with national competition policy principles.

As my friend and colleague Senator Ian Campbell mentioned when introducing the bill, the government’s focus is now turned to reviewing the presentational aspects of the Petroleum (Submerged Lands) Act. The government expects to be in a position to present a rewritten act for consideration by the Senate at a later point in time. It may be appropriate at this stage to make some comments about the amendment proposed by Senator Bartlett. Before embarking on that, I publicly congratulate him on his election to the leadership of the Australian Democrats.

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—I understand that the amendment should be moved formally by Senator Bartlett.

Senator ABETZ—It was addressed in Senator Bartlett’s speech in the second reading debate, so I would be astounded if I was not allowed to respond.

The ACTING DEPUTY PRESIDENT—Whatever you wish, Minister. I just thought it may be more appropriate if Senator Bartlett were to do that.

Senator ABETZ—The government does not support the proposed amendment to be moved on behalf of the Australian Democrats. It is not government policy to require legislation to contain objects clauses. In some cases objects clauses can assist in interpreting and administering an act, but in other cases objects clauses are likely to introduce confusion and uncertainty, especially if they overlap or conflict with other legislation.

All offshore petroleum operations are subject to the provisions of the government’s Environment Protection and Biodiversity Conservation Act 1999, if those operations have the potential to have a significant effect on the environment. The objects of the Environment Protection and Biodiversity Conservation Act 1999 include: (a) to provide for the protection of the environment, especially those aspects of the environment that are matters of national environmental significance, such as Commonwealth marine areas; (b) to promote ecologically sustainable development through the conservation and ecologically sustainable use of natural resources; and (c) to promote the conservation of biodiversity.
At present, the Petroleum (Submerged Lands) Act 1967 and the Environment Protection and Biodiversity Conservation Act 1999 work together and complement each other. There is a general principle of statutory interpretation that, where there is an inconsistency between two pieces of Commonwealth legislation, the legislation enacted most recently prevails. Given this general principle, the government does not support amendments to the Petroleum (Submerged Lands) Act 1967 that may erode the provisions of the Environment Protection and Biodiversity Conservation Act 1999 or that may cast doubt on the meanings of the laws that apply for the protection of the marine environment in connection with offshore petroleum operations. The government regards protecting the environment as far too important to allow uncertainty and confusion to prevail.

The bill’s consideration in this chamber is not the time or the place to pursue climate change objectives, important though they are. The government has a wide range of programs in place to reduce Australia’s greenhouse emissions. The programs are worth $1 billion. The government announced on 15 August that it would develop a long-term strategy for reducing Australia’s greenhouse emissions. This strategy will be developed in consultation with industry, the states and community groups. I commend the bill to the Senate.

Question agreed to.

Bill read a second time.
contained in the Petroleum (Submerged Lands) Amendment Bill 2002 do not go far enough, we are pleased to see that the government is committing to a more wholesale review of the legislation in, we would hope, a reasonably short period of time. The Democrat amendment is perhaps focused on political objectives rather than legislative objectives. It may have been appropriate, if that was the intent, to pursue a second reading amendment to the bill rather than an amendment to the legislation in the form of a change to the objects of the act to introduce these provisions. I struggle to understand how, in the context of the legislation, these provisions would have any meaningful effect.

I am interested to note that the minister, Senator Abetz, reminds us of the impact of the EPBC Act on the exploration and exploitation of resources in the area of this country’s economic interests covered by this bill—the submerged lands area. As I recall it, the EPBC Act is a piece of legislation that was subject to extensive agreement between the Democrats and the government. As I recall it—and I have reminded Senator Bartlett of this in other debates—the chamber was allowed an average of approximately 10 seconds per amendment to deal with that bill when it came through this chamber. I wonder whether that is the sort of consideration the Democrats would expect of a thoroughgoing review of the Petroleum (Submerged Lands) Amendment Bill 2002 when it ultimately comes back to the chamber in the way that the government promises. The amendments in this bill are relatively minor, particularly relating to offshore petroleum exploration permits and leases, and, as I have said, we will be supporting the bill. We do not see the relevance of the amendment proposed by Senator Bartlett other than to make a political point by moving it. I guess he has done so, but we will not be supporting alteration to the legislation in that form.

Question negatived.
Bill agreed to.
Bill reported without amendment; report adopted.
conditions, such as the recent extension of parental leave to long-term casuals and the establishment of a right to refuse unreasonable overtime.

Registered organisations are also vital to enterprise bargaining, not only through their involvement in actual negotiations but also through training and educating employers and employees to bargain, and communicating bargaining outcomes to others and the public at large. In the context of ongoing employer-employee relations, organisations play an important role in settling workplace grievances and pursuing changes to collective arrangements that will prevent future grievances. Because of their importance, the law confers on registered organisations a range of rights and obligations. For example, registration enables an organisation to become a party to a federal award or enterprise agreement. Conversely, the cancellation of registration removes an organisation as a party to an award or agreement, and may even result in the cancellation of the award or agreement. Registration grants an organisation coverage over the occupations or industry in which its members work, in accordance with the organisation’s eligibility rule. Under the act, it then becomes more difficult for other organisations to gain representation rights for these classifications or the industry. However, an organisation must be able to substantiate its claim to represent the class of members it covers. Registration confers corporate status on a body that would otherwise be recognised legally as an association. It also imposes detailed obligations relating to their democratic governance, particularly their financial administration.

Democratic governance is critical to the success of registered organisations. It not only encourages existing members to remain committed to their organisations, it also engenders confidence in potential members that, in joining a trade union or employer organisation, they will have an effective say in the affairs of that organisation. In general, registered organisations, both trade unions and employer organisations, are highly professional operations. Most, if not all, would have permanently employed administrative and support staff and are increasingly making use of technology to communicate with and obtain the views of their members. But there is also room for improvement, and much work has gone into developing this bill to a point where it will enable registered organisations to strengthen their democratic governance and accountability.

On the Labor side, I acknowledge the tremendous work done by the former shadow minister for industrial relations, Mr Bevis, a member in the other place, his staff, and the senators on the committee which examined the bills last year. I acknowledge the experience lent by the ACTU, in particular Ms Linda Rubinstein. I also recognise the extensive work done by peak employer bodies and the government on the development of the bills. When presented by the government in 2001, and again this year, the bills were not without their problems. One was the proposal by the government to excise the registered organisations provisions from the Workplace Relations Act. The current and former ministers put on serious voices and said that this was a necessary consequence of the decline in trade union membership in the 1990s. However, the Liberals’ hard-earned reputation as a group of inveterate union bashers meant that no-one believed that their intentions were pure or that this reform had any sound basis in policy. The Liberal government’s rhetoric of simplification also rang hollow, given the many kilograms of GST legislation it has just imposed on small business.

The fact is that the democratic governance and accountability of organisations matters not only to existing members but to all employees with whom organisations come into contact. This includes employees covered by an award or a union enterprise agreement. On the most recent ABS figures from 2000, 23 per cent of employees still have their actual wages and conditions set by awards, and a further 35 per cent by enterprise agreements—roughly 90 per cent of which are negotiated with unions. Moreover, the effect of federal awards in setting community standards in employment is difficult to overstate. Democratic control and accountability of organisations also matters to employees in formerly non-unionised workplaces where
unions are seeking to organise, negotiate an agreement or have an award made. At last the Liberal government realised that they had fooled nobody and decided instead to place the registered organisations provision in a schedule to the Workplace Relations Act, saving workers and business the trouble of reading two acts where one would do.

A second problem with the bill was proposed part 3 of chapter 9, which sought to impose new financial penalties on union officials, employees and members where orders of the Australian Industrial Relations Commission or the Federal Court were not complied with. These were to be added to the arsenal of legal weapons already available to employers, including injunctions, contempt of court prosecutions and financially ruinous common law actions for economic torts. Since only the minister for workplace relations was given standing to apply for the new penalties, these provisions were transparently designed to fulfil the current minister’s dream of becoming an industrial policeman, and to lend unwarranted legitimacy to his inflammatory and provocative contributions to industrial disputes. The Liberal government has, sensibly, removed these provisions from the bill; however it has stated its intention to present them separately, so this is a debate to be continued on another day.

I now turn to a number of amendments moved by Labor to these bills in the House of Representatives. Firstly, proposed section 21(b) concerns the registration of enterprise associations. It is important to be clear about the intended effect of this amendment. The Workplace Relations Act currently provides that a designated presidential member of the AIRC may grant an application for registration made by an enterprise association:

... if, and only if ... the association ... is free from control by, or improper influence from:

(i) any employer, whether at the enterprise in question or otherwise; or

(ii) any person or body with an interest in that enterprise; or

(iii) any organisation, or any other association of employers or employees ...

On 27 October 1999, Vice-President McIntyre of the AIRC refused to grant an application for registration of an enterprise association known as the Suncorp-Metway-QIDC Enterprise Union because members of the SMQEU, including members of its management committee, held shares in the employer company. In response, the government proposed an amendment, now section 20(1A) of the bill, which reads:

For the purposes of paragraph (1)(b), if a person or body has an interest in the enterprise in question, the Commission may decide that, despite the interest, the association is free from control by, or improper influence from, the person or body.

Note: The Commission could conclude that the association was free from control etc. by the person if, for example, the nature of the person’s interest was not such as to give the person a major say in the conduct of the enterprise or if the person did not have a significant management role in the association.

The supplementary explanatory memorandum published by the Liberal government relevantly explained this amendment, in paragraphs 30 and 31, as follows:

30. Amendment No. 58 will address a decision by the Australian Industrial Relations Commission (AIRC) that found that the Suncorp-Metway-QIDC Enterprise Union (SMQEU) was ineligible for registration on the basis that, among other things, the SMQEU was not free from ‘control or improper influence from ... a person with an interest in the enterprise’. This was due to the fact that members of the SMQEU, including members of its committee of management, held shares in the enterprise and therefore had an interest in the enterprise.

31. Amendment No. 58 inserts new subsection 20(1A) to make it clear that the mere holding of an interest in an enterprise in question by members of the association is not, in itself, sufficient to determine that the enterprise association breaches the requirement in paragraph 20(1)(b). Rather, the focus is on whether the enterprise association is free from control by, or improper influence from, the person or organisation.

At this point, it is important to note that proposed section 20(1A), while relaxing or easing the restriction on members of an enterprise association having shareholdings in the employer enterprise, still directs the commission’s attention to whether the relevant shareholder member has a significant management role in the association. Labor agrees that the focus should appropriately be on whether the enterprise association is free
from control by, or improper influence from, the enterprise. A critical issue in this regard will be the nature of any funding or services provided by the enterprise—the business—to the association. Accordingly, Labor proposed an amendment, now proposed section 20(1B), which relevantly provides:

For the purposes of paragraph (1)(b), if an employer meets or will meet costs and expenses of the association, or provides or will provide services to the association, this assistance must be taken into account when considering whether the association is free from control by, or improper influence from the employer.

This amendment is intended to address another aspect of the decision of the commission in the Suncorp-Metway-QUIDC Enterprise Union (SMQEU) case. In that decision, while rejecting the application for registration on the basis that members and officers of the enterprise association held shares in the enterprise, Vice-President McIntyre held that he would not have been compelled to have rejected the application merely because of assistance provided by the employer to the association, which consisted of the following: the enterprise association was funded by the company, the enterprise association had been provided with office accommodation on the company’s premises, the association’s office equipment and supplies were provided by the company, and the salaries of the employees of the enterprise association were paid by the company. In his decision, Vice-President McIntyre specifically stated that he would have been compelled to have found otherwise in respect of that issue of control or improper influence if he had been applying the provisions of the United Kingdom Trade Union and Labour Relations Act 1971.

Section 31K of the UK act provides for the registration of independent trade unions. The act defines an independent trade union as a trade union which:

(a) is not under the domination or control of an employer or a group of employers or of one or more employer associations; and

(b) is not liable to interference by an employer or such group or association arising out of the provision of financial and material support or any other means whatsoever tending towards such control.

The Labor amendment is intended to import in terms appropriate to the Workplace Relations Act the same principles as are contained in the United Kingdom legislation. In preparing the wording of clause 20(1B), Labor agreed with the Liberal government that it was appropriate for the commission to retain its discretion. Labor also accepted the argument put by the minister to the shadow minister for workplace relations, Mr McClelland, in correspondence dated 20 August 2002, ‘From a practical perspective, employers commonly provide service to unions such as the use of meeting rooms, whiteboards and email facilities.’

Labor accepts that the provision of such minor facilities, more as a matter of courtesy, in itself may not indicate control by, or improper influence from, an employer. However, the provision of such minor assistance is to be contrasted with the significant resources provided by Suncorp-Metway to the alleged SMQ Enterprise Union as outlined in Vice-President McIntyre’s decision of 27 October 1999. With due respect to the former vice-president, it is difficult to see how an association so wholly dependent on an employer for funding and administrative support could truly be free from control by, or improper influence from, the employer. Everyone knows there is a community of interest between employers and employees in cooperating to ensure a business succeeds, but workers also have the right to effective representation by an independent trade union to secure fair wages and conditions to support themselves and their families. Cooperation is vital, but the rhetoric of cooperation must not be used to cover up the inequality of bargaining power inherent in the employer relationship, nor the distinct interest of capital and labour in securing a fair share of wealth generated by industry or, in particular, in the Suncorp-Metway case, where they clearly tried to establish a union that was dominated by the interests of the employer and the business.

In moving this amendment, Labor was strongly concerned to ensure the commission, in exercising its discretion, takes into account the nature of any services or funding provided by an employer. Labor believes the
amendments strike an appropriate balance whereby an enterprise association is not disqualified from registration merely because members hold shares in the enterprise as opposed to persons who have a significant management role in the association, nor because an employer provides minor resources by way of courtesy to an enterprise association such as accommodation equipment supplies.

I turn now to another Labor amendment relating to proposed sections 164A and 164B which is intended to address a deficiency in the law first identified by the Federal Court in Darroch v. Tanner, a case involving the now shadow minister for communications, Mr Lindsay Tanner. The deficiency identified by the court was the lack of a power to rectify a breach of the rules involving the expenditure of union resources by a person who is not, in respect to the matter, under a continuing obligation to perform the rules at the time of the court proceedings. The deficiency was subsequently criticised in the case of Cook v. Crawford by Justice Shepherd, who said:

This case provides a clear indication of the needs for the amendment of the legislation to confer on this Court wide powers to make orders in respect of officers and members of organisations who are recreant to their duties, unless a court has clear injunctive power that this is the sort of problem that can arise.

The amendment will empower the Federal Court to make orders designed to rectify a breach of an organisation’s rules by a person acting unreasonably, notwithstanding that the person is no longer under an obligation to perform and observe the rules. Labor made a number of other amendments to improve the security of ballot material that was recommended by the Joint Standing Committee on Electoral Matters in its inquiry into industrial relations. However, it is not necessary to cover those details now.

While this debate is appropriately focused on democratic control and accountability of registered organisations, it is important to remember that democracy and accountability are values that should apply as much in the workplace as within trade unions and employer organisations. On this score, the Liberal government’s industrial relations policies and proposed laws are an abysmal failure. First of all, the Liberal government, in 1996 award-stripping legislation, removed workplace consultation as an allowable award matter. The basic right to employee consultation about workplace change, which trade unions had begun to secure through the award safety net, was taken out with the stroke of a pen. The absence of such a right in the award safety net naturally makes it more difficult to secure through agreement making. Then the Liberal government embarked on its aggressive ideological campaign to promote non-union enterprise agreements, chanting all kinds of empty rhetoric about encouraging managers to talk directly to their employees.

When one looks at this year’s report on agreement making under the Workplace Relations Act, produced by none other than the Department of Employment and Workplace Relations, with the Employment Advocate in tow, one sees the hard evidence that the Liberal government’s mindless pursuit of ideology has made it less likely that employees will be genuinely consulted about important decisions affecting a business. Only 46 per cent of non-union enterprise agreements provide for employee consultation, compared with 77 per cent of union agreements. Only 20 per cent of non-union agreements provide for employee representation, compared with 81 per cent of union agreements.

This issue is fundamental to Australia’s economic future. We will not have sustainable productivity growth if the Liberal government is not serious about ensuring democracy and accountability in the workplace. Former European Commissioner with responsibility for Employment and Social Affairs, Padraig Flynn, said there were two basic facts of modern industrial life:

One is that constant industrial change and corporate restructuring is an inevitable part of remaining competitive in the world. The second is that, if this constant industrial change and corporate restructuring is to meet its objective—if it is to be a positive factor in our competitiveness—then it needs to engage the workforce, as an integral and as a formal part of that process.
The Liberal government, in its eagerness to please the H.R. Nicholls Society and like-minded ideological militants, has failed abysmally to recognise these imperatives. Unlike the Liberals, whose sole interest is in bashing and vilifying unions and their members, Labor is committed to seeing greater democracy and accountability in Australian workplaces.

Senator MURRAY (Western Australia) (12.27 p.m.)—I rise to speak on the Workplace Relations Amendment (Registration and Accountability of Organisations) Bill 2002 and the Workplace Relations Legislation Amendment (Registration and Accountability of Organisations) (Consequential Provisions) Bill 2002. The thought came to me as I listened to Senator Sherry, the shadow spokesperson in this place for workplace relations matters, that when he is a very old man and he sits with his grandchildren and they ask, ‘What did you do during the industrial relations era of the coalition government? Were you obstructive and difficult and fail to pass anything?’ he will be able to say, ‘No, I passed 376 pages of industrial relations legislation.’ The point of that is that this is one of the few occasions in this government’s time that I have witnessed a thoroughly bipartisan—and I use the word ‘bipartisan’, not ‘cross-party’—discussion and agreement to produce legislation which is in fact an improvement on the current act. The other was the junior wages debate when we were on opposite sides.

I think it is to the credit of the Labor and coalition parties that they have arrived at a situation where they are able to modernise the way the registration and accountability of registered organisations under the Workplace Relations Act will carry on. I should add to that congratulation the participation of the ACTU in the matter. We should note that this legislation not only has bipartisan support as a result but also has cross-party support, because the Democrats regard the bills as a useful improvement to the Workplace Relations Act as a whole.

The situation at present is that trade unions and employer organisations are able to seek and obtain registration under the Workplace Relations Act 1996. This statute confers not only substantial rights and privileges but also significant responsibilities on bodies that are granted registration, and those rules take up a sizeable proportion of the act. However, when one makes remarks like that, it is kind of tempting to just regard this as a technical or a machinery part of the act. It actually had its gestation in some extremely tense and very vigorous contests about who would run unions and how they would be run right back during the seventies and eighties. The body of law that is present in the 1996 Workplace Relations Act and that is continued here in this bill actually has its primary source and substance in the legislation brought in by the Hawke government to deal with matters that had been exposed as being of great concern during the 1970s—including matters, I might say, that were addressed by royal commissions.

In recent years this bill, which was promoted originally by the previous minister, the Hon. Peter Reith, has had three primary sources apart from the departmental origin of the bill: the Joint Standing Committee on Electoral Matters report, Inquiry into the role of the Australian Electoral Commission in conducting industrial elections of October 1997; the ministerial discussion paper of the former Minister for Employment, Workplace Relations and Small Business, Hon. Peter Reith, entitled Accountability and democratic control of registered industrial organisations, issued in October 1999, which was a very useful document; and our own Senate Employment, Workplace Relations, Small Business and Education Legislation Committee report of June 2001, which made a considerable contribution to the advancement of the bill. Senator Sherry quite rightly pointed to the hard work done by Mr Robert McClelland’s predecessor, Arch Bevis, as the shadow portfolio holder with respect to this bill. The intention was originally to move these provisions out of the registered organisations section of the act and into a separate act. That will no longer occur. What will happen is that a separate schedule to the act will be presented. As a user of the act, I think that is probably a very good idea.

The government has addressed many of the concerns of the opposition. It has stated
that those more contentious areas which it regards as important to it from a policy perspective will be introduced in a different form. In consequence, I do not expect this bill to have much contestability in the Senate at all. The bill does establish statutory fiduciary duties for officers and employees of organisations which are modelled on duties applicable to company directors under the Corporations Law. There have been very considerable changes to the Corporations Law during the term of the coalition government. It is important that registered organisations keep abreast and modern with regard to their obligations, which should be similar to those obligations incurred by corporations. These new provisions will provide members of organisations with increased protection against financial mismanagement. Ultimately, that is what the bill is about. It is about accountability and making sure that people are properly served by the officers of unions and properly protected from corruption or mismanagement. The protection is appropriate given that officials of registered organisations, like company directors, are entrusted with substantial funds in their control.

The bill makes many technical changes. Some of them might be considered minor changes, but they are important. These include the requirement for non-discriminatory rules for organisations, scope for the creation of model rules for the conduct of elections and the obligation to review membership lists to ascertain and remove long-term unfinancial members. I must say that this has always been a concern to me, because the presence of a dodgy membership list can affect not only the election of union officials and where power resides within the union but indeed the preselection and election of Labor Party candidates and members of parliament. So the union’s membership list is of concern not only to their own members and registered organisations but also to the entire community. It affects with respect to the Labor Party relationships of not only preselection and election but also affiliation, control and power in terms of conferences and another areas. So it is no wonder that the Labor Party therefore support union lists of members being as accurate as possible because otherwise any distortions could result in distortions in areas which matter to them.

The bill addresses the rights of members to accurate information about resignation from membership, the conduct of elections and ballots, the adoption of Australian accounting standards—once again, a vital element of accountability—improved access by members to financial records and disclosure to members of moneys paid to employers where automatic membership payroll deductions are made.

The nature of records and accounts is, of course, a matter of great interest at the moment not only with respect to registered organisations but also with respect to companies. Corporate behaviour is by no means always a model for acclaim or congratulation. There is much that is presently wrong with the way in which company records and accounts are being managed by some directors and managers of some publicly listed companies, and the government and parliament have been attending to that area.

This bill makes a number of changes. It introduces a civil penalty provision obliging organisations to keep copies of membership records. The regulations could also require an organisation to keep a copy of a register as it stood at a prescribed time for a period of seven years. The bill makes it an offence to interfere with a register of members or a copy being retained under clause 230. As I have said previously, the bill requires not only compliance with Australian accounting standards but also compliance with Australian auditing standards. The industrial relations registrar will, however, be able to grant exemptions from compliance with Australian accounting standards where compliance would impose an onerous cost burden due to an organisation’s small size. That is a recognition that unions are not always the large monolithic bodies that people have in mind. They are often very small and specialised, and you have to be flexible with regard to the kinds of cost and administration impositions you put on them.

The bill introduces the concept of reporting units. The previous Workplace Relations Act provisions had the registered organisations divided into branches, with each branch
of an organisation being responsible for the preparation of its own accounts. The concept of reporting units makes it easier to introduce accounting, auditing and reporting obligations. An organisation such as a small union which does not have a branch structure would just constitute one reporting unit. In an organisation with a branch structure, each branch would be a reporting unit. There is scope for the organisation to report on an alternative basis—for example, to allow a number of branches to report together. The bill enables the Industrial Registrar to issue a certificate allowing an organisation divided into branches to be divided into reporting units on an alternative basis if the registrar is satisfied that the alternative will be the most appropriate reporting structure to improve compliance with financial management requirements, but regard must always be had to the information needs of members.

The bill will require organisations consisting of more than one reporting unit to keep records in a consistent manner as far as is practicable. It may seem mundane to remark upon it, but that is an important element. Imagine a union with a number of different branches where, in some cases, some operate in a less effective manner than others—where the consistency of record keeping has not been the same throughout and there have been branches with records of exceptional quality and others with poor records. So that provision is a useful device for ensuring that members’ interests are protected.

The bill will require reporting units to prepare a general purpose report and an operating report. The general purpose report will contain financial statements and notes and information required by the registrar’s reporting guidelines. It will be required to give a true and fair view of the financial position and performance of the unit. Those with an ear for Corporations Law and for discussions on auditing and accounting standards would recognise that the true and fair view approach mirrors that of the Corporations Law. The operating report would contain a range of information concerning the unit’s operation as well as setting out members’ rights of resignation and disclosing the involvement of officers or members in trusteeships or directorships relating to superannuation trust funds. From a point of view of interest and power, it is very important for members to be aware of the exact responsibilities of officers or members in other organisations which may or may not conflict or coincide with their interests.

The bill will require the Industrial Registrar to produce and publish reporting guidelines outlining the information to be included in the general purpose financial report. It will require the disclosure of total amounts paid by organisations to employers for payroll deductions of membership dues, as well as the total amount spent on legal costs and other expenses associated with litigation or other legal matters. Again, that is a transparency provision. With regard to reporting to members, the bill will require reporting units to present their reports to members’ meetings, unless the rules of an organisation provide an appropriate mechanism for the calling of such a meeting by members. If there is such a mechanism in the rules, reports may be presented to a meeting of the committee of management.

The bill will shorten the reporting process by requiring reporting to occur within a period of five months after the end of the financial year, or at least 21 days before a general meeting where one is held within six months after the end of the financial year. Again, small organisations are catered for. The registrar will be able to issue a certificate allowing a reporting unit with an annual income of less than $100,000 to comply with reduced reporting requirements. That is a very practical approach. The bill will also provide that, where a reporting unit is composed of the same membership as an associated body’s, the registrar could accept reports lodged with registries established under state legislation. As everyone knows, I would rather get rid of state jurisdictions. The sooner we have one industrial law for this entire country and not six the better. In the meantime, that is a practical provision.

In addition to existing mechanisms, the bill will enable a member to seek an order from the commission authorising the member to inspect the financial records of the
reporting unit. There will be safeguards against abuse and inappropriate disclosure of information. The member will have to advise the Industrial Registrar of any potential breaches found during an inspection. That is a very useful accountability device. The bill will give an officer or former officer a right of access, in certain circumstances, to an organisation’s books for the purpose of legal proceedings. Overall, my reading of this bill is that it is a very useful modernising accountability device. The Labor Party and the coalition have done well to work their way through it and to produce a bill which I am sure will gain the Senate’s support. The Democrats will be supporting the bill.

Debate interrupted.

MATTERS OF PUBLIC INTEREST

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

Western Australia: One Vote, One Value Legislation

Senator EGGLESTON (Western Australia) (12.45 p.m.)—The recent Western Australian Supreme Court decision that the Gallop government’s one vote, one value legislation was unconstitutional because it required an absolute majority in both houses of parliament is a great victory for rural Western Australians. The one vote, one value legislation was almost universally opposed in regional Western Australia. If the legislation had been allowed to stand, eight lower house seats would have been appropriated from the country and given to the city of Perth.

Western Australia is a vast state with one large city, four or five country cities whose population of 20,000 to 30,000 is considered small by eastern states standards, and a myriad of small country towns scattered across the vastness of Western Australia. The state has varied regions, all with different economies and potential and all of which need to have their own representatives in the state parliament. The state ALP government proposed altering the electoral system to enhance their own electoral chances and subsequently reduce the level of representation of regional Western Australia. The state ALP government claimed that the proposed electoral changes were in the best interests of Western Australia. In truth, they were simplistic proposals that would not have provided the best formula for the good governance of a state with the demographics of Western Australia. Had they been adopted, these changes would have reduced the representation of the regions in the state parliament. From the time of self-government in Western Australia, regional representation has been provided for in the composition of the state parliament, with seats like the former seat of De Grey offering representation for the people of the Pilbara in the century before the last century, when in fact there must have been very few people living in the Pilbara. The seat of Sussex for the people on the Vasse on the south-west similarly must have had a small population. Nevertheless, they had a seat in the state parliament.

Most of Western Australia’s wealth emanates from the regions and those areas deserve their own representatives in the parliament. The ALP proposed creating more metropolitan seats, yet metropolitan residents’ political needs are already well catered for in the areas of police and law and order, education and health services by the existing level of parliamentary representation. Additional issues which concern metropolitan people are local and are best dealt with by local governments. They do not need more members of the state parliament to handle very local issues.

The ALP proposal for electoral reform was opportunistic and ignored the geographic, demographic and economic realities unique to WA. A country alliance of political parties and rural organisations was formed to challenge the validity of the Gallop government’s proposed electoral changes on behalf of the people of Western Australia. It is a great victory for common sense that the outcome has been the rejection of the Gallop government’s legislation.

The Hon. George Cash MLC, in referring to the committee inquiry that was held into the one vote, one value legislation, said:

A number of submissions were made by members of the public ... They made the point that country people certainly should not be treated as second-class citizens. However, the big point that
was made continually was that there was no call across the State for more members in the metropolitan area. Those people could not understand why there was a determined effort by the Government to transfer members from the country to the metropolitan area. From my experience, people in the metropolitan area have said to me that they think they have too many members of Parliament in the metropolitan area. In fact, I recall that one witness talked about the opportunity in the metropolitan area to go to one of a number of MPs who have offices near where he lives. The point that person was making was that he could choose the MP with whom he wanted to deal, whereas, in the country, people were obviously required to attend the local country member, irrespective of his party allegiance.

That quote was from the WA Legislative Council Hansard of 4 December 2001.

Mr Barry Court, the President of the Pastoralists and Graziers Association in Western Australia, referred to the unique demographics of Western Australia when he said:

Western Australia is completely different from any other State in Australia; in particular, the distances are much greater. To say that Victoria and Western Australia have similar voting areas is just not on. Some of the biggest electorates in the world are in Western Australia. It is hard to service them now—to reduce country representation by eight seats will make it impossible to service them.

That is a quote from the committee Hansard of 7 November 2001.

Apart from the economic rationale, country vote weighting is an equitable response to the tyranny of distance in rural Western Australia. Regional representation is required in order to ensure that people in country areas can be adequately and effectively represented. Mr Dan Barron-Sullivan MLA said to the committee inquiring into the legislation:

I would argue that the key tenet of our system of representative parliamentary democracy is that a member is elected to Parliament ... to represent ... voters, their families and the broader constituencies of the electorate ... That principle should stand higher than any other, even if one is a firm believer in one vote, one value. It is the principle of representative democracy.

Large electorates are almost impossible to service—it is difficult and costly for members to get around the electorate and hard for constituents to bring their concerns and problems to their local member on a face-to-face basis, particularly where in some cases they have to travel hundreds of kilometres to see their local member. For example, in the electorate of Ningaloo in the Gascoyne region of WA, if a constituent in Meekatharra wants to see their local member in his office in Carnarvon they have to travel 600 kilometres. If country seats were amalgamated, members of parliament would have to be extraordinarily well resourced to have any hope of being able to move effectively around their electorates, assuming that there were even enough hours in the day for them to do so. It would be almost impossible for the average constituent to expect to be able to visit the office of his local state MP.

The Hon. Bruce Donaldson MLC stated in the Western Australian parliament:

All members of this House would be aware that it is very difficult to get around a region, especially in the country. People want to see their members and not necessarily be talking to them at the end of a telephone line. Each and every one of us would have to knock back five or six invitations—

because there are only 24 hours in a day and seven days in a week. As country members must travel vast distances to get from A to B, it makes it even more difficult for them—

were electorates increased in size—

Access to members of Parliament on a face-to-face basis will disappear under this legislation.

The Pilbara Regional Council has said:

Increasing the size of the regional electorates in the State will only make state politicians even more remote from their constituent communities and will inevitably increase speculation about the relevance of state governments in general.

The Gallop government legislation would have resulted in a situation where the Labor Party could, in future, have won sufficient seats to be elected to government without winning a single country seat. That, of course, was what the legislation which was recently disallowed was really about. This would have made rural voters essentially irrelevant, and one shudders to think about what would have happened to services in rural areas had the legislation been passed. The Labor Party would have become even
more citycentric and there would have been no incentive to ensure that country people received adequate services, let alone improved services. Policies would have been dominated by city interests, with scant or no regard for the interests of country people or regional development.

It is easy to envisage a situation where rural voters would become a forgotten class of people, with not only second rate representation in the parliament but also inadequate infrastructure and services, such as roads, hospitals, schools and police. The Pastoralists and Graziers Association stated:

In our view, One Vote One Value is not the fair and equitable system its promoters claim, and represents the most serious challenge yet to the rights of country West Australians. To us it is a proposal that will not only make rural people irrelevant, it will destroy forever their right to have their concerns and issues addressed in the Parliament.

In conclusion, this decision by the Western Australian Supreme Court was a great victory for regional WA and confirms the wisdom of the founding fathers of WA, who understood that, in a state as vast and diverse as Western Australia, provision for regional representation was the best formula for the good government of the state.

Hillside Tavern

Senator GEORGE CAMPBELL (New South Wales) (12.56 p.m.)—Today I would like to draw the chamber’s attention to a local suburban drama that is playing out on the North Shore of Sydney. I draw your attention to it not because the dispute is world changing, nor is it vote changing, but because it goes to the heart of what it should mean to live in a democratic and tolerant society. The dispute in question revolves around the Hillside Tavern in the Sydney suburb of Castle Hill. Most people would never have seen it or heard of it. It is simply an unremarkable small business that is little different from thousands of other pubs and clubs around the country. It wants to expand its licensed operations to cater for a maximum of 131 people. That is less than one-twentieth the capacity of Sydney’s largest licensed venues.

What makes the Hillside Tavern special is that a highly organised and conservative residents group has been waging a campaign for several years to limit its operations and prevent any plans for expansion. Their campaign successes, and I use the term loosely, include banning live music and preventing more than 20 people being allowed to stand in the tavern at one time. The group in question is called RUACH, which stands for Responsible Use of Alcohol in Castle Hill. It should be called ‘Wowser’, because that is the effect of all of its actions—to prevent law-abiding citizens from engaging in law-abiding activities because they do not conform with RUACH’s narrow moral viewpoint.

This group is not a grassroots residents group as its name might suggest. It is in fact a subcommittee of a Christian ministers’ fraternity in Castle Hill. This is a group who managed to prevent the Hillside Tavern opening for extended hours during the 2000 Olympic celebrations and who are so mean spirited and obnoxious that they oppose the tavern staying open for New Year’s Eve celebrations. And, if you want to drink in a beer garden, forget it; that is not allowed. RUACH even took the owners of the Hillside Tavern to court when they wanted to introduce alfresco dining.

What symbolises the vigilante nature of this group, however, is the Daily Telegraph report that Castle Hill restaurant owners do not even bother to approach NSW government bodies for alcohol licences anymore. They first seek permission from the group before proceeding with an application. So much for the rule of law. But do not take my word for it. You just have to open the pages of one of the local newspapers: the Hills News or the Hills Shire Times. One furious local, Michael Tuckerman of Castle Hill, wrote last week:

How many more young people must resort to unsupervised backyard binge drinking because their choice of social areas has been so limited by a minority of right wing Christian fundamentalists.

This brings us to the consequences for communities when organised minority groups like RUACH try to enforce their will on everyone. The Hills area in Sydney is rapidly expanding. It is an area of growth compara-
ble to the chunks of Western Sydney that were developed following World War II. Just as Western Sydney was allowed to grow without proper investment in infrastructure, the Hills area has also fallen victim to inadequate planning processes. Public transport in the Hills is privately owned, expensive and sporadic at best.

The lack of facilities for young people is of great concern to many residents, so when groups like RUACH want to force their fundamentalist interpretations of the Bible down other people’s throats it genuinely affects the social and cultural options of all Hills residents. When the church leaders and members who run RUACH speak out against development proposals they are very effective at shutting them down. There are more than 60 churches in the Hills district. Many are evangelist and fundamentalist in nature. With significant resources and the cloak of religion to hide behind, these churches are extending their influence into what ought to be secular laws and decision making processes.

The popularity of churches in the area is not the issue in question, however. The issue in question is whether those churches have the right to stop other people from participating in legal entertainment and social activities, which is the effect of RUACH’s actions. RUACH has put itself on the public record in local and state-wide newspapers as wanting to keep children in the hands of God rather than in the hands of alcohol. While there might be good intentions behind those statements, they show a lack of grip on reality.

One group affiliated to RUACH, the Day-Spring Christian Fellowship, told the Daily Telegraph they took the position that they did because they wanted to promote ‘wholesome, happy families’. The first reality check RUACH needs to take is that wholesome, happy families do not come about through excessive social control of children, reminiscent of the start of the last century. Wholesome, happy families come from a secure society that supports its youth with a good education system that encourages children to understand different points of view and the law and to make choices about the way they can live their lives.

The second reality check RUACH needs to take is of the simple fact that New South Wales has strict and enforceable laws governing service of alcohol to minors and people who are intoxicated. Young people living in Castle Hill who are over 18 can make their own minds up about whether they want to drink alcohol or not. As for people under 18, the suggestion that adding a beer garden to the Hillside Tavern is somehow going to lure innocent under-age schoolchildren into drinking alcohol is ridiculous. This is a small venue that hosts local Rotaract meetings. RUACH’s concerns also ignore the fact that across the country many young people already engage in binge drinking. This is a well-known fact, documented in publications by the New South Wales Department of Health and the National Drug and Alcohol Research Centre.

Three significant reasons that contribute to the binge drinking phenomenon are: (1) young people rebelling against the control of their parents, (2) young people drinking because there is little else to keep them occupied, and (3) a lack of options for supervised drinking in licensed establishments. RUACH’s focus on stopping legitimate small businesses like the Hillside Tavern from operating will address none of these three issues. In fact, RUACH’s approach is more likely to perpetuate the problems. If RUACH’s actions do not amount to hypocrisy then the actions of RUACH supporters, like the Hon. Alan Cadman, member for Mitchell, do. Alan Cadman has been very vocal in supporting the work of RUACH to stop the development of the Hillside Tavern. What he does not tell us is that his local branch of the Liberal Party held a fundraiser at the Hillside Tavern in 2001 and the Senate should take note that Alan Cadman was very happy to spend the $8,000 that was raised for his campaign at the fundraiser.

Another thing the public ought to know is that Alan Cadman and state Liberal MPs Michael Richardson and Wayne Merton are patrons of the massive Castle Hill RSL complex and attended its recent redevelopment launch. The redevelopment in question is massive in scale. Among other multimillion dollar expenses, it involves the creation of a
sports bar and a lounge bar. On the one hand, you have the Liberal Party saying alcohol is bad and must be kept away from the community. On the other hand, you have them supporting and taking credit for a licensed facility down the road from the Hillside Tavern that publicises itself as ‘six levels and five hectares of entertainment and dining experiences’. What an insult to Alan Cadman’s constituents! What an insult to their intelligence and their lifestyle!

In the Hills Shire Times newspaper, the local mayor, John Griffiths, cites a nearby religious school and a bus stop as reasons why the tavern development should be stopped. What he does not mention, however, is that the Castle Hill RSL sits directly opposite the local high school. This is a disgrace. Is the Baulkham Hills mayor saying it is okay for the 1,092 students of Castle Hill High School to be lured into drinking establishments but it is not okay for Seventh-Day Adventist students to face the same situation? Are he and Alan Cadman suggesting that the parents of public school students do not care for their children with the same love and compassion that parents of students from private schools do? I cannot draw another conclusion from this statement and I certainly hope there is another explanation, because that view is wrong and should be treated with the contempt that it deserves.

Finally, I wish to make the public aware of the fact that, in just one day last week, 900 community members signed a petition in support of the Hillside Tavern’s development proposal. The petition was, incidentally, circulated at a local food and wine fair attended by the state Liberal MP Michael Richardson. A democratic and pluralist society is about embracing diversity, and it concerns me that RUACH and the member for Mitchell are forgetting that. Their current campaign against the young people of Mitchell and the Hillside Tavern is about dividing the community and subjecting it to the views of fundamentalists who are by far the minority of the community.

This is not a question of stopping these churches from existing and practising their faith. I am not a hypocrite. This is a matter of ensuring that these groups do not infringe on the rights of all citizens in the seat of Mitchell. These are rights that are protected by the rule of law and by this chamber. Whether it is in our local communities or on the world stage, in this time of uncertainty it is the values of democracy, freedom and diversity that we need to cling to. I praise the residents of Castle Hill who are upholding those values.

**Youth Allowance**

Senator CHERRY (Queensland) (1.07 p.m.)—I rise today to speak on systemic problems with income support for young Australians. In 1997 this government introduced the youth allowance bill to create youth allowance, a new social security payment covering unemployed people aged 16 to 20 and students until they attain the age of 25 years. They abolished Austudy and youth training allowance, a sickness allowance and a Newstart allowance for those under 21 years and created new social security payments to take their place, including youth allowance and Austudy payment. At the time, the Australian Democrats recorded their concern at the impact of these changes which, by their introduction in July 1998, resulted in thousands of young Australians losing income support and many others being forced to live on reduced allowances or being unable to continue to study.

Four years later, we have young people living 40 per cent below the poverty line. We have them homeless, hungry, unable to pay bus or train fares, unable to continue studying or even to look for work because of the government’s youth allowance policies. In particular, there is a lack of attention to ensure that youth allowance is set at the level, at least, of the poverty line or a reasonable standard of living.

The report Runaway youth debt: no allowance for youth released today by the Welfare Rights Centre on the poverty and perils of young Australians subject to the government’s policies confirms the fears we raised in this place four years ago. The notion that social security recipients have an obligation to participate in return for benefits has long been part of the Australian social security system from its very early days when a person could be denied assistance for ‘character...
not deserving’. Through the early 1990s, the idea of reciprocal obligation meant that government would do more to create employment and assist unemployed people to get jobs—for example, by expanding labour market programs and introducing wage subsidies. The argument was that greater efforts and obligations could therefore be expected of young people. Regrettably, it seems, we have come full circle—the government offers nothing to younger Australians and instead pays them inadequate rates of payment and places them under severe financial duress through breaching. Indeed, the government denotes them as being ‘characters undeserving’ of adequate financial assistance.

The number and scope of requirements that have been expanded under this government are such that young people must now actively look for suitable paid work. They must register with at least one Job Network provider; accept suitable work offers; attend all job interviews; attend Centrelink offices when requested to do so; agree to undertake approved training courses or programs; not leave a job, training course or program without sufficient reason; correctly advise Centrelink of any income earned; enter into and comply with a preparing for work statement; lodge fortnightly forms; apply for up to 10 jobs per fortnight; participate in a ‘mutual obligation’ activity after a certain amount of time on benefits; have certificates signed by employers approached about jobs, if required; and complete a job seeker’s diary with details of job search efforts.

Given that there are seven unemployed people for every vacancy, it means that young people must do all of the above but be told, ‘No,’ over and over again to their application for a job. If they are breached, they are expected to do all of the above but on $30 less per week. When they again fail because they did not have the money for the bus fare, they then lose $40 a week. When this punishing regime finally leaves them homeless and they cannot receive Centrelink letters or Job Network notices of an appointment to go to an old address or the notices are received late, their allowance is cut off completely for eight weeks.

Recent research reports that the number of breaches has escalated dramatically since 1997 and that breaches are falling most heavily on the most disadvantaged job seekers—the young, the homeless and those with substance abuse and mental health problems. The Australian Council of Social Services recently reported that an estimated $200 million in social security penalties were levied in the last financial year. This has pushed unemployed people and students deeply into poverty. The harsh penalties continue to be imposed on young Australians for infringements of social security rules, such as being late for an interview or failing to respond to a letter, despite the minister’s assertion that this rarely happens.

Breach fines are out of all proportion with income received. An equivalent penalty for the Prime Minister, if he were to miss an interview, would be a fine of $40,000 from his salary. The first activity test penalty for a breached unemployed adult puts them at 34 per cent below the poverty line while the second penalty pushes young job seekers to an incredible 47 per cent below the poverty line. This is made more devastating for young people whose incomes may be less than $150 per week to start with. Breaching them will leave them with less than $15 a day to live on for rent, food, bus fares and clothing.

Young Australians are disproportionately represented in breaching statistics. People under the age of 25 incur 53 per cent of all breaches. It is also this age group that is the least likely to lodge appeals because, unfortunately, young people rarely question bureaucracy and are often left with inappropriate breaches against their name. Disadvantaged young people utilising supported assistance programs and other emergency services throughout Australia are not fully aware of their rights and obligations in relation to Centrelink payments. Despite their best efforts, community workers or support agencies do not always have sufficient knowledge of the full Centrelink entitlements of their service users or know how to assist them to correct any problems in relation to these entitlements.
As a consequence, the number of homeless people, particularly homeless young people, who receive income support breaches continues to grow. The situation is worse for Indigenous young people. Research studies report that Indigenous young people are more likely to be breached, with those living away from home being particularly affected by breach penalties. For Indigenous job seekers aged less than 21 years the breach rate is 23.7 per cent compared with the non-Indigenous rate of 19.7 per cent. Breach rates for Indigenous and non-Indigenous young people are slightly higher for those who live away from home compared with those who live at home. Breach rates are around four percentage points higher for Indigenous young people across all age groups.

A further disturbing aspect of the breaching of young people is the continuing high level of penalties that are applied for a third breach of the rules. These penalties result in the entire withdrawal of a social security payment for eight weeks. Charities and community organisations around Australia tell us that the most disadvantaged and vulnerable in our community are coming to them for crisis help when their payments are reduced or stopped. This includes people with low literacy skills, Indigenous Australians, young people, people with mental illness or brain injuries, and those with alcohol or drug problems. Additionally, young people incur travel fines as a result of ‘jumping’ trains when they have insufficient funds to afford a ticket but must attend Centrelink or education. Consequently, many incur outstanding debts that they have no capacity to repay. These accumulated fines will have flow-on effects such as the cancellation of drivers licences, and many do not have the skills to negotiate repayments over time.

The recent report by the Independent Review of Breaches and Penalties in the Social Security System recommended that, amongst other reforms, the rate and duration of breaches should be decreased to reduce the overall level of financial penalty, particularly on young people, and this call has been echoed by the Welfare Rights Centre’s research. In response, this government, while promising to review its procedures in relation to breaches, has consistently baulked at reducing penalties and, indeed, is seeking to expand its breaching regime to other disadvantaged Australians such as sole parents, older unemployed and temporary protection visa holders. Only last week the breaching regime was further criticised by the Commonwealth Ombudsman in a report which showed that in a whole range of areas inappropriate and inadequate processes are being undertaken by Centrelink to the detriment and financial duress of their clients.

The Australian Democrats call on the government to address the fundamental flaws in the legislation providing the income support of young people. We can no longer endorse the financial and personal devastation imposed on young people by the legislation introduced in 1998. The present system is counterproductive to its intentions. It is sending young people deeper into debt, homelessness, hunger, desperation and poverty. Young people are not ‘character undeserving’; they are the adults of tomorrow and a promising human resource. They can make a great contribution to the community, society and the world. We need to ensure that the youth allowance is brought up to a level that allows a reasonable level of living—not something which is excessive, generous or extreme but something which is reasonable. To actually push people 30 to 50 per cent below the poverty line because of a breaching regime that has been criticised by the Ombudsman, by independent panels and by all those who look at it in an objective sense is, to the Democrats, simply not a reasonable action by a government. It is not a reasonable social security safety net and it is not a reasonable leg-up for the most vulnerable and disadvantaged in our society who too often are our young people.

Economy: Debt Management

Senator CONROY (Victoria) (1.17 p.m.)—I rise today to speak about this government’s appalling record of fiscal waste and mismanagement. It was revealed today that the government has paid out $1 billion to banks in settlement of the Treasurer’s foreign currency gambling losses. This might seem somewhat surprising since the Treas-
urer told us in February that there were no such losses. The Treasurer said:
No loss has been realised.
I am saying there are no realised losses.
In March the Treasurer became even more evasive, saying:
The difficulty is, you can not tell them the right amount (of the losses) without knowing the exchange rate on a particular day and the interest rate differential between then and now.
We now know from an answer provided by Treasury to a question on notice that $1 billion was paid to the banks in 2001-02 in settlement of the Treasurer’s foreign currency gambling losses. During 2001-02, the Treasury has now told us, 14 cross-currency swap contracts matured. When the government entered into these contracts it agreed to exchange its Australian dollar liabilities for US dollar liabilities until 2001-02. It did so to take advantage of the lower level of interest rates charged on US dollar borrowings.

The only problem is that the Australian dollar had collapsed before these contracts had matured. So when the contracts did mature and the government and the banks had to swap back the liabilities, the government owed the banks $1 billion more than the banks owed it. That is the bottom line here. To be precise, when the contracts matured the government owed the banks $US1.4 billion. At an average exchange rate of US$2.5c per Australian dollar in 2001-02, that equals $A2.7 billion. However, as I have said, the banks owed the government only $A1.7 billion. The billion-dollar difference is the cash the government had to pay to the banks to settle these contracts.

The Treasurer might try to argue that the contracts did not mature at the average exchange rate for 2001-02. Well, Treasurer, Treasury officials were asked at the Senate estimates for the actual spot exchange rate at which the contracts matured. They responded by saying, ‘The spot exchange rate varied depending on the day each contract matured.’ Thank you very much, Treasury. That answer shows contempt for the estimates processes and for the accountability of this government. But consider this: even if all 14 contracts had matured in May 2002, when the dollar peaked at an average of 56.7c, the losses would still have been close to $800 million. At worst, if all 14 contracts had matured in September 2001 when the exchange rate averaged just 49.2c, the losses would have been $1.15 billion. So at best the Treasurer lost $800 million and at worst $1.15 billion.

However, this payment to the banks in 2001-02 was just the first instalment. During February estimates it was revealed that foreign currency gambling losses totalled almost $5 billion between 1997-98 and 2000-01. The government’s own budget papers show that it expects to pay out billions more over the forward years to settle the Treasurer’s gambling bill. And it does not stop there. Australian taxpayers will likely be sending cheques worth billions of dollars to these same banks until the last cross-currency swap contract matures in 2008.

The Treasurer may try to point out that these losses have no impact on the budget bottom line. This is an interesting issue in its own right. How is it that a government can pay $1 billion to the banks in 2001-02 and there be no impact on the budget balance? How can the government claim that its budget provides a true and fair reflection of its financial position when it can spend $1 billion and the budget bottom line is unaffected?

In the private sector, such a transaction would be treated as an expense and go straight to the bottom line. Why would the government not treat the same type of transaction in the same way as the private sector? Perhaps it is because if it treated the billion dollar payment to banks as an expense the budget deficit would have been $1 billion greater in 2001-02. The cash deficit would have been $2.3 billion in 2001-02. By understating expenses—just like Enron, just like WorldCom—they say, ‘Oh, that is going to look bad for us; we will hide that away over here; we just do not have to account for it.’ The Treasurer has succeeded in boosting the budget bottom line. It is no wonder that this government has not taken the lead in raising the standards of corporate governance in the private sector—it is no wonder at all. How can it? How can this government expect pri-
Private companies to raise their standards and tell their shareholders the truth about the state of their accounts when it will not tell the Australian people the state of Australian budget?

There are other losses that the government has sustained that do hit the bottom line. The Department of Finance and Administration lost $150 million of taxpayers’ money on the mismanagement of the outsourcing of agency banking. The department also tried to hide their mistake by using—guess what—some creative accounting. They transferred the payment in 2001-02 out of their budget statement to a fictitious account called the ‘crown’. I challenge any member on the other side of the chamber to explain to this chamber or to any member of the Australian public what the ‘crown’ is. Where is it in the budget statements? Where is the bank account called ‘crown’? At Senate estimates they admitted their mistake and they assured the committee that they would never do it again.

The Department of Finance and Administration also bungled the outsourcing of the Commonwealth car fleet to a subsidiary of Macquarie Bank at a $40 million cost to taxpayers. I hope that you are listening, Senator Campbell and Senator McGauran, because the Auditor-General noted in the report on the transaction that the Department of Finance and Administration did not even understand the contract that they signed with Macquarie. The Department of Finance and Administration thought that they had sold the business for $407.9 million and entered into a separate contract for fleet management services. Macquarie Bank thought that it had purchased the business for some $15 million and that the remaining $392.9 million related to the financing of the fleet under the sale and lease-back arrangements. Can you imagine the buyer and seller having a completely different take on the contract? What sort of incompetence does this demonstrate is going on in the Department of Finance and Administration and, through them, in this government through the Minister for Finance and Administration?

Then there is the mismanagement of property sales. The Auditor-General has warned the government about costly sale and lease-back arrangements of Commonwealth property, noting that just one sale—the Australian Geological Survey Office building—could result in a $95 million loss over the term of the lease. The Auditor-General has also issued a report highlighting the government’s appalling mismanagement of its $15 billion defence property portfolio. The report revealed that the government is selling and then leasing back properties when it has no idea how much they cost to operate. How can the government make sound commercial decisions about these sales worth hundreds of millions of dollars when it does not know what it costs to maintain the buildings? How can it, Senator McGauran? The Australian National Audit Office also raised this issue in December 2000 but the government has done nothing to fix this problem.

Then there is the bungling of the health insurance rebate. In only the first six months after the private health insurance rebate scheme commenced in January 1999, over 11,000 people had to make excess cash claims at a cost of $12.6 million. The reason for this, in the Auditor-General’s words again, was that ‘arrangements were not adequate to detect persons inappropriately claiming the rebate through more than one delivery channel’. In other words, they were double dipping. They set up a system that was open to massive abuse and—guess what—it was abused. And so it continues. The government’s mismanagement of the $5 billion IT outsourcing program has already been well documented in this chamber. I see you nodding over there, Senator McGauran.

Senator Ian Campbell—He’s nodding off.

Senator CONROY—Yes, that is also possible, Senator Campbell. The IT outsourcing program was supposed to save $1 billion—that was the government’s claim—but the Auditor-General found that, halfway through the program, only $70 million of savings had been achieved and that the cost of consultants had blown out by three times the original budget of $13 million.

More recently, the Auditor-General reported that promised savings of $20 million
at the Department of Veterans’ Affairs from IT outsourcing had turned into a cost—another cost—of $140 million. A government report shows that 16 major Department of Defence purchases are $5.1 billion over budget and, in some cases, years late on delivery. Twelve projects are years late, yet the government has taken no action against suppliers for failing to meet their contractual deadlines. The Seasprite helicopter project is at least four years behind schedule. The government has already paid out $800 million on this contract but withheld only $720,000.

The most common cause of the blow-out in spending on these 16 projects is—would you believe it—the mismanagement of foreign currency risk.

In fact, if you look not just at these 16 projects but at all spending by the Department of Defence, you see that $4.1 billion has been lost due to currency mismanagement. This government has form in this area. The Auditor-General highlighted $3 billion of losses in the May 2000 report entitled Commonwealth foreign currency risk management practices. Since the Auditor-General’s report was released, further losses of $1.1 billion have been sustained, according to answers to questions on notice from Senate estimates and from the budget papers.

Is it any wonder, with these mounting losses, that the government delivered a deficit against a background of sustained growth? The deterioration in the cash balance has been remarkable. In 1998-99, the Treasurer, Mr Costello, estimated that the 2001-02 budget would show a surplus of $14.6 billion. Yet by the final budget outcome released a few weeks ago for that very year we were $1.3 billion in deficit. This deterioration is not cyclical. It is not the result of an unfavourable economic environment. Rather, it is the result of gross and endemic fiscal waste and mismanagement by this government.

The government has delivered a deficit despite the fact that it is the highest taxing government in Australian history. Peter Costello seeks to hide this fact by arbitrarily excluding the GST from his budget, in breach of Australian accounting standards. He has been qualified every year by the Auditor-General. When you add the GST back in, the real tax take in 2002-03 is around $200 billion dollars. Commonwealth taxes now account for 25 per cent of output in the Australian economy. In other words, one dollar in every four generated by Australians each year goes into the Treasurer’s pocket. Taxpayers are paying more in income tax today than they were paying before the income tax cut that was meant to compensate them for the GST.

This government is now seeking to impose a range of new taxes. The government does not call them taxes, though; it is calling them levies, but the impact is the same: it is a slug to the Australian taxpayer. Australian working families will contribute even more to the Treasurer’s coffers to make up for this government’s fiscal mismanagement. Australians are paying an Ansett ticket levy and a milk levy now. Two weeks ago the government proposed a sugar levy. Now it is thinking about a tourism levy and an Iraq levy.

How does the government respond to revelations about its mismanagement and mounting losses? Apparently, its preferred reaction is simply to disclose even less information to the parliament. According to the Auditor-General, there have been a number of ‘major changes’ to the reporting require-
ments issued by the Minister for Finance and Administration for the preparation of financial statements for 2001-02. In particular, the reporting of administered items will be by way of note only and will exclude the reporting of internal funding flows. I will return to this issue later. *(Time expired)*

**Senator McGauran**—I seek leave to make a personal explanation. I have been misrepresented.

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

**Senator O’Brien**—Does he want to take a speaker’s spot in this debate?

**Senator Ian Campbell**—You are not giving him leave to make a personal explanation?

**Senator O’Brien**—We will give him leave at the appropriate time. Senator Bishop is next to speak.

**Senator Ian Campbell**—You have to seek leave at the earliest possible opportunity. Are you refusing him leave?

**Senator O’Brien**—We are not refusing leave; we will give leave at the appropriate time, as we said.

Leave not granted.

**Economy: Debt Management**

**Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer)** *(1.33 p.m.)*—I want to make some comments on issues relating to economic management. It is interesting to see that the Australian Labor Party have chosen to raise the issue of the Australian government’s management of US-denominated debt. It is not of half a billion dollars, not of a billion dollars, but $10 billion year on year for five years on the trot—running Australia’s foreign debt up to $96 billion and ensuring that nearly $10 billion a year out of the budget had to be spent just to pay the interest on it. If those opposite want a lecture about economic management, they should read some of those outrageous budgets that the Australian Labor Party’s so-called treasurers and finance ministers brought into this place in those years.

Yes, the Australian government are trying to manage an overseas debt portfolio, but we are doing so because we inherited it from those opposite when they were in power. Get up and deny it, Senator O’Brien: a debt that was run up from $20 billion to $96 billion by Paul Keating, Mr Beazley and Mr Crean. What have we done to get rid of the problem? We have actually reduced the debt. And who tried to stop us reducing the debt? We came in here in 1996, 1998 and 2001 with a policy to privatise Commonwealth-owned entities such as Telstra and use the proceeds to repatriate that debt so that we would not have an overseas debt. And who voted against it? The Australian Labor Party did. The Australian Labor Party said, ‘No, we’d rather have foreign debt.’

Here is a government that said, ‘Let’s get rid of all the foreign debt, reduce interest rates, reduce the tax burden and ensure that more money goes to helping people in need and providing health services, education services and defence.’ But what do the mob
opposite want to do? They would rather pay interest to foreign banks. They have the temerity and the hypocrisy to come in here and talk about our management of the foreign debt portfolio—a debt portfolio created by that mob opposite not because of their economic mismanagement but because of their economic profligacy. It destroyed the livelihoods and probably lives of thousands of Australians. There were one million people out of work, decreasing living standards and decreasing incomes, but they were quite happy to spend $10 billion a year more, year after year, and now they come in here and say, ‘You’ve made a loss on foreign exchange loans.’ It is enormous hypocrisy.

When I woke up this morning, came into the office and read about Laurie Oakes talking about the foreign exchange and the fact that Senator Conroy was going to raise the matter again, I thought, ‘Make our day. Raise the forex loans dealing every day, Senator Conroy.’ As Laurie Oakes said, it is the only thing they have to try and create something with which to beat us around the head. It is the best they can do. Well, make our day. Every time we get up and remind the Australian people that when you are in power you spend $10 billion more than you earn, you put up interest rates, you put up debt, you run massive deficits, you put down people’s living standards and you reduce employment, the better it is for us, because people will naturally forget. You would hope that time and tide would wash away the economic record of Mr Keating, Mr Beazley, Mr Crean and all of those hangers on. You would hope that in six, eight, 10 or 15 years people will forget what the Australian Labor Party did to people’s livelihoods, foreign debt, the budget bottom line and the strength of the Australian economy. It was Mr Keating who said that Australia was bound to go down the Argentine road, and then the Senate over the next six years took us down that road, making us vulnerable and putting interest rates up to 25 per cent or 26 per cent and 17 per cent for home buyers. I ask people who pay their monthly mortgage to look at the rates they are paying now and imagine what it would be like to have Labor back with interest rates up to 17 per cent. That is what those guys did.

Then Senator Conroy, not content with reminding Australians about the foreign debt that Labor raised, wanted to talk about the Auditor-General’s office, property deals and car fleet deals. Again I say, ‘Make my day.’ This is the party that got the Australian National Audit Office to sign a lease with them. They entered into an agreement, and what did the Auditor-General’s office find about that agreement? They found that the terms of the lease were totally uncommercial. You know, Mr Acting Deputy President Watson, as all of us know and as the Australian Labor Party know, that a nine per cent rental increase every single year, year after year, is totally uncommercial. In fact, in the property market in the suburb of Barton, where the Australian Labor Party have leased that office space to the taxpayer, the rent is now triple the market rent. In fact, in Centenary House, owned by the Australian Labor Party, the rent is now higher than the highest priced office accommodation in central Sydney.

If the Australian Labor Party want to talk about creating leadership, showing some sort of leadership to business and putting their money where their mouth is—and they are lecturing us on this—they can actually end that lease tomorrow. They are prepared to rip out of the back pockets of Australian taxpayers $35 million of rent over and above the market rent. If the ANAO were paying a market rent, they would be paying nearly $500 or $600 a metre less than they are paying. We can change that today. If Simon Crean wants to be fair dinkum about economic management and get rid of corruption, he will get rid of the Centenary House deal with one phone call, one letter.

I invite Senator Conroy, if he wants to show his leadership on corporate governance, to take the lead on this as the shadow spokesman on finance. What he can do is agree to my proposition, which I put on behalf of the government right now. On the floor of the Senate, I propose to Senator Conroy that he agree to our proposition to have the rent at Centenary House determined by an independent panel of valuers in an arbitration process and to rewrite the rent clause in the Centenary House lease in an independent arbitration process by an inde-
pendent panel of valuers. Through you, Mr Acting Deputy President, I invite Senator Conroy to agree to that today. I will give him leave to stand up and agree to an independent, fair rent to be set at Centenary House through an independent panel of valuers agreeing on a fair rent. I make that proposition now on behalf of the Australian government and I ask Senator Conroy as the shadow spokesman to agree to that on behalf of the opposition. If it wants to be fair dinkum about rip-offs, rorts and mismanagement, the Australian Labor Party can do one thing—

**Senator Mark Bishop**—Mr Acting Deputy President, I rise on a point of order. The list of speakers for this matter of public interest was agreed by the whips, circulated and presented to you. At the conclusion of Senator Conroy’s contribution, Senator Ian Campbell, through our whip, requested the opportunity to make a contribution. I was advised that it would take something in the order of five or six minutes. On that basis, we agreed. Senator Ian Campbell was not on the list. I make an inquiry of you, Mr Acting Deputy President, as to when Senator Ian Campbell will conclude his contribution, it having now gone some five or six minutes in excess of the five or six minutes to which he agreed to limit his contribution.

**The ACTING DEPUTY PRESIDENT (Senator Watson)**—Senator Bishop, there is no point of order. My understanding, through the Clerk, is that Senator Ian Campbell has agreed to give you your full amount of time when he concludes his remarks.

**Senator IAN CAMPBELL**—Mr Acting Deputy President, it is not an issue for the clerks or for you that I said—and I will put it on the record—to the acting whip of the opposition that I would speak and that I would ensure that Senator Bishop had his full time, which I will do. I stick to my word in these things. As I have said already—

**Senator Mark Bishop**—You interrupt again. You weren’t on the list. You were given five or six minutes—

**Senator IAN CAMPBELL**—Mr Acting Deputy President, you have ruled on Senator Bishop’s point of order. He is now breaching standing orders once again. As I said earlier in this debate, I sat and spoke within standing orders. I did not interject once on Senator Conroy and nor did Senator McGauran, but I have had to deal with interjections from Senator Conroy, Senator O’Brien—one friendly interjection—and Senator Bishop. Quite frankly, if you want me to sit down and provide Senator Bishop with his full speaking time, I am very happy to do so. But if Senator Bishop considers his own behaviour and ceases his inane interjections, it may make it a bit easier for me to comply with that agreement.

Mr Acting Deputy President, I have made the points I would like to make. I will stick by my word in relation to providing Senator Bishop with his 15 minutes, but I make the point that hearing Labor get up and give us lectures about foreign debt and the management of that is quite extraordinary and quite hypocritical. I welcome him to do it whenever possible because it will continue to remind the Australian people that, when it comes to property deals, the Australian Labor Party have to answer for Centenary House—and they still need to explain to the Australian people why they blew the budget year after year, $10 billion at a time, and ran up $96 billion worth of foreign debt that we are trying to pay back, and are on track to pay back, within a couple of years.

**The ACTING DEPUTY PRESIDENT (Senator Watson)**—Before calling Senator Bishop, I remind the Senate that an amended list, which includes the name of Senator Ian Campbell, is before the chair.

**Defence: Military Involvement in Iraq**

**Senator MARK BISHOP (Western Australia)** (1.46 p.m.)—I rise today to address a very serious issue concerning the welfare of any Australian forces which might be sent to join the United States and the United Kingdom in any military action against Saddam Hussein in Iraq. In the Senate on 17 September, I spoke of the dangers of sending Australian forces into a war where there was divided community support, referring to the risks of alienation which were borne so heavily by those who served in Vietnam. I spoke of the damage to that generation of young men whose efforts were denigrated
and who, only now, are receiving the recognition due to them. There is an enormous cost of war in human terms and budgetarily of sending forces to war where the risk of death and serious injury are high. It is a cost that goes far beyond the cost of guns, ships and all the other materiel equipment of war. I remind the Senate that the annual budget for the Department of Veterans’ Affairs is now approaching $10 billion per annum and is for a declining population. War can leave families without fathers and mothers. It can maim people permanently such that they will never again lead a normal life, and it can leave a bitter sense of regret and recrimination amongst those who served and who later feel that their effort was wasted, pointless or indeed cost them immeasurably in material and emotional terms when compared with generational peers who did not so serve.

All of us here in the parliament receive regular representations from constituents with service in the Australian armed forces who, on discharge or retirement, find themselves in the queue for compensation for physical or financial loss for injury or illness they believe has been incurred in their service. By way of background, we know there are many problems with military compensation and its day-to-day operations. I do not wish to dwell on them today except to say that we may be about to see another unfortunate chapter opened as we watch threats and commitments made which will have one sure result—that is, the loss of more Australian lives and a continuation of suffering for another generation of service people who return from war with their lives in ruin.

It is very salutary to note that, just as today governments grapple with the unresolved issues of the past and their unknown effect on serving personnel, we are about to do the same again. Fortunately, perhaps, history has a way of dealing with these things, because time must take care of everything and, although it would be cynical to say so, some veterans no doubt feel that this is in fact part of the policy framework. In short, if governments stonewall long enough, all claims for compensation will go away.

As we face another war in the Gulf, it is therefore very important that we consider these issues in advance and weigh them up as an integral part of the decision making process on our engagement. We must learn from the past and make absolutely sure that, if forces are committed, it is done with full knowledge of the risks and the downstream costs. Preparation should be thorough, and promises of compensation should not be regarded as inducements or as political guilt money but as an absolutely unavoidable consequence of the decision to so engage.

Our past record, it is sad to say, is often poor. Too often troops have been sent abroad unprepared and ill equipped. Ask the veterans from Kokoda who went with World War I clothing, little ammunition and World War I Lee Enfield rifles. Ask those who almost froze to death in Korea. Ask veterans from Vietnam of their envy of the support, equipment and backup the American forces had. Consider too the outstanding and unresolved issues from the past, of which there are several, including those who were present at the atomic testing sites and who were simply asked to turn their backs to the blast. Do not forget BCOF people as well. Consider too those who served in Vietnam and who continue to be troubled by the after-effects of exposure to chemicals such as Agent Orange, on which we had a multimillion dollar royal commission that failed to bring any resolution. Consider too those who believe there is yet another outstanding and unresolved matter called ‘multichemical sensitivity’ caused by the unknown effects of different chemicals combining to affect people in ways still not understood by medical science. Much more to the point, consider those who served in Desert Storm, particularly 700,000 Americans who continue to battle government for answers to their health problems, for which there has been, just like any other issue for so many years, a constant denial of liability. And here we go again, about to repeat history by sending troops to the Gulf, but hopefully in full knowledge of what happened then and what may well happen again.

I turn now to a policy framework. It is true that medical science is not all knowing. It has large gaps, the nature of which have not even been considered. Research simply has not been done on so much that needs to be
explored, and the passing of time serves only to blur the memories. Records seemingly never existed, have been lost or, more to the point, exist in government archives and are not accessible to those who must prove their case. The pattern is the same. We do, of course, have some kind of answer in that we exercise the benefit of the doubt, albeit rarely. We have done so, for example, for the children of Vietnam veterans with spina bifida, based on a slightly elevated prevalence. Similarly, we extend counselling to those children at risk of suicide. But the use of such discretion is sparing lest it contradict the basic plank that medical science must support causation. Unfortunately, on the factual evidence, it has been unable to do so for atomic radiation and exposure to chemicals for a large range of illnesses. This does not, however, prevent ex-service personnel believing that there is a connection, and so the debate continues.

And so it is with the Gulf War. In retrospect perhaps we can consider ourselves fortunate in that, apart from approximately 1,700 personnel, mostly on board our ships and thereby hopefully removed from much of the risk, there was only a handful of Australians on the ground serving with other forces who may have been exposed. Ten years later, though, we still do not know and the government’s health study, which we were told last February at estimates would be ready soon, is still to see the light of day. Let us hope that is not a sinister sign, because right now we need to know. We have also been given assurances that Australia is closely linked into the work being conducted cooperatively by the US, the UK and Canada, from which we assume we have full knowledge of the state of play.

It is reassuring that the Repatriation Medical Authority is involved in monitoring worldwide research. We do know, though, that Australians were vaccinated with up to five vaccines including pyridostigmine bromide, which seems to be at the heart of most ailments being suffered by US personnel. We also know that as at October 1999, 352 Gulf War veterans had disability claims accepted for injuries arising from that service. Let us indeed hope that is the case, because that information is needed now. However, from the US experience I fear that we cannot be too optimistic, and I refer here to testimony given to the Subcommittee on National Security, Veterans Affairs and International Relations of the US House of Representatives by the US General Accounting Office which was damning in its assessment of the way in which over $120 million worth of research was being managed and, it seems, with very few outcomes.

It is very instructive to look at the US experience from the Gulf over 10 years ago and well may we say, ‘There but for the grace of God go we.’ The enemy is the same, the circumstances little different, but the risks immeasurably greater as the focus is invasion of the Iraqi homeland, not just ejection of an invader. Since Operation Desert Storm, controversy has raged in the US veteran community at the early denial by the authorities of the existence of what is loosely called Gulf War syndrome, though it must be said now that after 10 years the wheel is turning. Both President Clinton and President Bush have issued instructions—prompted no doubt by the level of public controversy and highly critical congressional reports—to accelerate research, to supplement funding and to improve overall coordination. Yet it seems outcomes are difficult to find apart from the fact that the use of experimental vaccines has been stopped—a little too late for a large number of people.

I would mention here at the outset that my source for what is to follow is the second report of the Congressional Committee on Government Reform and Oversight of November 1997, which is explicitly detailed on the facts with respect to the impact on US personnel. The US sent almost 700,000 men and women to the Gulf. Of those it is reported that over 10,000 have since died and almost 180,000 are in receipt of some element of disability pension. But this is only part of the downstream cost of war. The fight for recognition and treatment of what has been called the Gulf War syndrome continues to this day against that backdrop I mentioned of long-term denial by the US government, the Department of Defence and the Department of Veterans’ Affairs. In fact it is
said that in the early stages those presenting with illnesses were told it was imaginary and most likely PTSD. The evidence is now far more disturbing. The report states:  

... veterans are concerned that their medical problems are chronic and disabling, and are the result of exposures to one or more chemical, biological or nuclear agents present in the theater of operations. Health problems of Gulf War veterans may stem not only from chemical and biological warfare agents but from other sources such as: pesticides and insect repellants; leaded diesel fuel; depleted uranium; oil well fires; infectious agents; and the anti nerve gas drug pyridostigmine bromide.

The symptoms for veterans are flu like: chronic fatigue, rashes, joint and muscular pain, headaches, memory loss, reproductive problems, depression, loss of concentration, gastrointestinal problems and other maladies. Because memories fade so fast, it is worth recalling for the record just what the US troops were exposed to. First there were the normal battle hazards of bullets, shells and unfriendly fires which we all associate with war—pretty straightforward. Then there were the normal operational exposures to decontaminants on weapons, fuel used to suppress sand and to burn human waste, fuel in shower water, chemicals to treat parasites and so on—all part of life in the military in a campaign.

Environmental risks are taken for granted too, and in the Gulf infectious diseases are endemic, particularly shigellosis, malaria, sandfly fever, cutaneous leishmaniasis, not to mention dengue fever and a number of other fevers. Next there was exposure to chemical weapons, and here I refer to nerve agents such as sarin gas designed to immobilise enemy forces quickly, effectively and in large numbers. From early estimates that only several thousand Americans were so exposed, the number has grown to an estimate of at least 100,000 and possibly more. Next there was exposure to biological weapons, namely anthrax, botulinum toxin and aflatoxin, not to mention others on which the Iraqis may have been experimenting. Each of these can be fatal, ranging from a few days to a few years before death. And there is more. Depleted uranium used as a hardening material on tank armour and armour piercing shells was ever present—recognising that over 1,400 Iraqi tanks were destroyed—meaning that an untold number of personnel were exposed to the uranium dust.

Finally, there was of course the horrendous pall of smoke from 700 oil wells set on fire by the Iraqis as they retreated—some of which were not extinguished for many months and which combined, no doubt, with some of the other toxic fumes already in the air. If that was not risk enough, the US also engaged in a vaccination campaign, as did the British, apparently to protect personnel from the effects of chemical warfare only to find the antidote worse than the illness. It is reported that as many as half a million American troops were dosed with a drug called pyridostigmine bromide and that up to 60 per cent are suffering side effects as bad as if they had been directly gassed. Yet this particular drug and its usage is now described as experimental. Then there is a list of other drugs administered—some reports being as high as 17 by way of vaccination or tablet form and taken in unknown quantities, with few records existing.

It should go without saying that there should be available to the parliament a detailed analysis of all the risks and hazards to be faced by any deployment to Iraq. Let us all sincerely hope it does not happen, but quite frankly, if it does, then those responsible for sending our young men and women into an environment which will be little different to the one I have described should be fully accountable for what happens. There is simply no excuse for not being prepared. Everyone who goes must be told openly and honestly about what they can expect. The question is, though, what exactly is being done? It is alarming to note that, in reply to a question in the House on 18 September from my colleague the member for Cowan, the minister responsible could not answer this very question. Either she could not find an answer or she did not know. We very much fear the latter is the case. So it is with very ominous concern that I draw this issue to the attention of the Senate. On behalf of all the ADF, wherever they may be serving, I hope for their sake they start demanding some answers too. To serve your country is one
thing; to serve blindly and be sent to your peril unprepared and without support is something quite different. *(Time expired)*

**QUESTIONS WITHOUT NOTICE**

**Economy: Debt Management**

**Senator CONROY** (2.00 p.m.)—My question is to Senator Minchin, the Minister for Finance and Administration and the Minister representing the Treasurer. Is the minister aware that, according to an answer by Treasury to a question on notice at Senate estimates hearings, the government paid out $1 billion to the banks in 2001-02 to settle the Treasurer’s foreign currency gambling losses? Can the minister confirm that this is a realised loss of $1 billion and that the money paid out can never be recouped?

**Senator MINCHIN**—I note that the opposition has quickly reverted to type. The issue that Senator Conroy refers to is, of course, a feed off Laurie Oakes’s column in the latest Bulletin and is a miserable and pathetic attempt by the Labor Party to revive this long dead issue in its desperate attempt to show that it has any credibility at all on the question of economic management. It is a very futile attempt. It is well known that the Labor Party made an enormous mess of the economy and of government finances during its period in office, which we have spent 6½ years trying to rectify. I thought Senator Ian Campbell dealt very capably with Senator Conroy’s pathetic attempt to raise this issue over lunch. The fact is that the policy of which we speak was introduced by the former Labor government in order to manage the escalating debt that the former Labor government incurred, which rose from something like $16 billion when they were early in office to $96 billion when they left office.

As you know, we took advice on the continuation of that policy and the Treasurer appropriately terminated that policy in the year 2000. It was suspended in December 2000 and, from September 2001, the stock has been run down in accordance with the pre-agreed timetable between the AOFM, the Treasury and the RBA. But to assess whether any particular transaction over its life, which is commonly five to 10 years with these instruments, results in a gain or a loss requires an assessment of both currency movements and interest rate differentials. I draw to the attention of the Senate that the valuation of the AOFM’s US exposure does move from day to day. In the last financial year the valuation of the stock showed a gain of $1.2 billion. Of course, the volatility of which I speak has been significantly reduced by our policy of repaying Labor’s debt—a policy that those opposite are trying to sabotage by their continued opposition to any suggestion that we might realise our shares in Telstra and therefore eliminate the debt that Labor left us. I note by way of contrast that, in relation to the gain we have had over the last financial year in relation to this matter, those very Telstra shares that those opposite insist the government continue to retain also move from day to day and that in the last year that share portfolio showed a loss in value of over $4 billion, and a loss from the peak to the trough of over $30 billion.

**Senator CONROY**—Mr President, I ask a supplementary question. Minister, thank you for acknowledging that the Commonwealth has lost $4.4 billion now by your own calculation there. Isn’t it true that the $1 billion spent last financial year paying the Treasurer’s gambling bills was more than the cost of the war on terrorism and more than any savings that might have come from cuts in pharmaceutical benefits and disability pensions?

**Senator MINCHIN**—Senator Conroy clearly was not listening to my answer at all—he pre wrote his supplementary. I said that in the last financial year the stock—that is, of the swaps—held by AOFM showed a gain in value of $1.2 billion.

**Senator CONROY**—Unrealised; this is about realised.

**The PRESIDENT**—Order! Senator Conroy!

**Senator MINCHIN**—These people have no right whatsoever to lecture us about fiscal rectitude after what they did to this country over their 13 years in government. It was an absolute disgrace to leave this country with $96 billion in debt, a deficit of $10 billion
every year. Now they come in here and lecture us about fiscal rectitude. How dare they!

Indonesia: Terrorist Attacks

Senator REID (2.05 p.m.)—My question is to Senator Hill, the Leader of the Government in the Senate. Will the minister inform the Senate of the latest information on Australia’s efforts to assist victims of the Bali bombings and their families?

Senator HILL—Australia’s efforts to assist victims and their families are continuing unabated. Again we should acknowledge the efforts of our public servants, our police investigators, our medical specialists and our defence forces. In particular, I would like to note the DFAT consular staff in Bali, who have been working round the clock since the bombings on Saturday night, efforts that have been nothing short of remarkable. We are now hearing so many stories of the personal courage of civilians in Bali, both tourists and locals, who stepped in to give assistance when it was most needed. I think the unity that has been shown in response to this tragedy is the clearest message that we can send the terrorist perpetrators that their attacks will not defeat the spirit of free people.

I can provide some further information for the Senate on the Australian effort. As I mentioned yesterday, the Royal Australian Air Force had deployed flights to transfer injured patients from Darwin Hospital to specialist care facilities in the southern states. These were completed successfully. Foreign affairs officials have now confirmed that they have checked all hospitals in Bali and are confident that there are no injured Australians remaining in hospital in Bali. As we said yesterday, the Minister for Foreign Affairs has announced a $300,000 package of medical assistance for Bali in this time of need.

Unfortunately, the agonising wait continues for many Australian families still uncertain about the whereabouts of their loved ones. I understand that the hotline set up by the Department of Foreign Affairs and Trade has now fielded more than 19,000 phone calls. Advice from DFAT indicates that inquiries relating to about 140 Australians have not been able to be resolved. Again, DFAT officials are working around the clock to assist these families. We must, however, confront the unpleasant reality that many of these missing Australians will not be found and that the death toll from this senseless attack will inevitably rise, and we must stand steady to assist the families of those who will not be found alive.

Australia has provided a team of specialists to help identify the remains of victims. As I said, the Prime Minister has announced that the government will pay for the entire cost of repatriation to Australia of the remains of all deceased Australians. We have engaged the services of an international disaster relief firm, Kenyon International, to assist with the preparation and repatriation of remains. We wish to ensure that this process is carried out both with compassion and with the greatest respect for the dignity of those deceased.

But we must also accept that this process could be a long and difficult one due to the force of the explosions and the intensity of the fires that they sparked. Many of the deceased will not be able to be identified by visual means. I inform the Senate that, where such identification is not possible, there is an internationally accepted protocol to establish identities. Australian experts on the ground in Bali have assessed that adherence to this protocol will be necessary to ensure that the victims are correctly identified. This will involve identifying victims by way of fingerprints, DNA checks or dental records. The government will meet any costs incurred in this process. We understand that any delays caused by this process will cause additional pain to the families involved, but our officials in Bali will do everything possible to ensure that this process is completed as quickly and as sensitively as possible.

Indonesia: Terrorist Attacks

Senator MARSHALL (2.09 p.m.)—My question is to Senator Patterson, the Minister for Health and Ageing. My question concerns the ongoing treatment in our nation’s hospitals of the very serious burn injuries sustained by victims of the Bali terrorist attack, including the outstanding work of the Alfred hospital in Melbourne. Minister, is there any basis for the concerns expressed
overnight that the injuries suffered in Bali have exhausted supplies of artificial skin used to treat badly burned patients? What steps is the government taking to ensure that appropriate medical supplies for the treatment of serious burns victims are available?

Senator PATTERSON—I thank the honourable senator for his question. I should start by saying that I do not think any of us can underestimate the contribution of those in our hospitals—in the emergency departments, in the burns units—or the fact that victims of the attack in Bali are receiving outstanding medical treatment. I will speak on behalf of all senators to express our gratitude for those doctors and nurses who are working around the clock.

Today I telephoned the health ministers who are involved in assisting with the emergency response—the ministers for health in Victoria, Western Australia, South Australia and the Northern Territory—and spoke to them personally; I was unable to speak to Craig Knowles in New South Wales or Wendy Edmond in Queensland, but I spoke to their chiefs of staff. I thought it was important that, as the Commonwealth health minister, I should speak head to head, face to face or on the phone at least with each of those ministers. They all indicated that they were managing but that some of the staff in the burns units in the hospitals were stretched. The ministers commented on the tremendous job the staff were doing, and I asked the ministers to convey to the staff the gratitude of the members of the Commonwealth parliament—I thought I could do that on behalf of the Commonwealth—for what they were doing. They also had hotline numbers for counselling those people who have been affected.

I am aware of the demand for skin and burns treatment products for victims of the Bali bombing. My department is liaising with the state and territory chief health officers today to assess demand for these types of products. One of the ministers said that there had been an issue but that they had resolved that. The most important product is Transcyte, marketed in Australia by Smith and Nephew. This is used as a temporary cover to reduce fluid loss and prevent infection for a time sufficient for the patient to be grafted with their own skin. Transcyte is registered on the Australian Register of Therapeutic Goods. A further shipment of Transcyte was brought into Australia last night.

Opposition senator interjecting—

Senator PATTERSON—I thought, having asked the question, you might be interested in the answer. A further shipment of Transcyte was brought into Australia last night by the sponsor. Initial assessments by the Therapeutic Goods Administration this morning indicate that there is sufficient product available in Australia to treat current patients. Because of the possibility that supplies of this registered product will not be sufficient, the Therapeutic Goods Administration is exploring the availability overseas of alternative but unregistered products, and there are adequate avenues to permit the supply of such products for emergency use, including the provisions of the recently enacted section 18A of the Therapeutic Goods Act. I just want to add that senior officers in my department are having telephone conferences with senior officers of all the relevant health departments every day and are in contact more frequently than that.

Indonesia: Terrorist Attacks

Senator TIERNEY (2.13 p.m.)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Alston. Minister, many of the families of victims of the terrorist attack in Bali have incurred, and are still incurring, additional telecommunications costs in trying to contact and stay in touch with their family members. Are you aware of any actions that are being taken by telecommunications companies to help alleviate these costs during this incredibly difficult time for these families?

Senator ALSTON—I thank Senator Tierney for his very important question. I have this morning been in contact with a number of the major telecommunications carriers, and I am very grateful for their prompt and understanding response. All the carriers approached have reacted sympa-
thetically to the plight of the victims of the tragedy and their families.

Optus will waive all charges for fixed line calls from Australia to Bali for a week-long period starting midnight Saturday, 12 October. Optus will waive all international charges for calls from an Optus mobile to any number in Bali during this period. Optus will waive charges for calls from an Optus mobile where the Optus customer was in Bali during this period. Optus will credit on a subsequent bill those customers who have already been billed for these calls since Saturday night. Optus will also implement arrangements to waive bills for customers who died in the Bali tragedy. Optus has provided a number of mobile handsets and prepaid calling cards to the Darwin Hospital for use by victims and their families. Optus will work with government to put further arrangements in place to provide assistance in relation to telephone calls between hospitalised victims of the tragedy and their immediate families. Later this afternoon, Optus will be issuing a statement with the full details of these arrangements.

As far as Telstra is concerned, for all Australian immediate families who have been affected by loss of life or injury arising from the Bali disaster, it will provide free of charge to those families the following. Telstra will offer the services of the counsellors of its own employee assistance program. Telstra will offer the support of trauma and grief counselling services to help individuals come to terms with what has happened. Telstra will waive for a period of one month from the date of the disaster all fixed and mobile telecommunication costs including calling, fax and Internet charges incurred for local, national and international communications. Telstra has also announced today that it will donate $100,000 to the Australian Red Cross Bali appeal.

Vodafone will be waiving any outstanding personal phone bills of deceased persons. Vodafone has also agreed that it will work with government to put arrangements in place which will mean that additional phone costs incurred by the injured or their immediate families for calls between each other while the injured are hospitalised in Australia can be waived. Final details will be announced shortly, including a contact number for Vodafone customers affected. Finally, Vodafone has agreed that it will waive the cost of any international call charges incurred by victims and their families for calls between Australia and Bali from the time of the bomb to the time the victims return to Australia.

The government welcomes these initiatives by the carriers. We certainly hope that other carriers will respond in a like manner. In the time available, the response has been very impressive. We hope that there will be an ongoing understanding of the difficulties that telecommunications can solve in many instances.

Economy: Debt Management

Senator CONROY (2.17 p.m.)—My question is to Senator Minchin, the Minister for Finance and Administration. Can the minister explain why the Treasurer, when asked about the losses in February 2002, claimed, ‘There are no losses’? Minister, didn’t the Treasurer mislead the public with this claim and why has he failed to correct the record? Can I ask you not to further mislead the Senate and the Australian public and answer my questions about realised losses—that is, cash out of taxpayers’ pockets—and not start talking about unrealised gains and losses? I am asking about realised losses.
Senator MINCHIN—This is a disappointing line of questioning from Senator Conroy, who is obviously desperately worried about the Labor Party’s position in the Cunningham by-election this Saturday. My view is that he is abusing this process by asking these sorts of questions on a subject on which Labor have absolutely no credibility, authority or purpose whatsoever.

Honourable senators interjecting—

The PRESIDENT—Order! Senators will come to order. Do you wish to continue, Senator Minchin?

Senator MINCHIN—I do, when you have brought the chamber to order. I remind the opposition that one of our primary tasks in government has been to reduce the debt that was left to us by Labor. As Mr Oakes himself has pointed out, apparently we are guilty of a crime of continuing a policy devised by the former Labor government. That is the crime of which we are being accused: we have kept their policy too long. I wish, in the light of it, that we had terminated it earlier. Unfortunately, we inherited this policy of swaps from the Labor Party, and we are unwinding it. But, because of the residual size of the deficit that we were left with, the debt that we were left with, unwinding it will take some time.

To get into the minutiae of gains and losses really is a pathetic attempt by the Labor Party to try to salvage something from the destruction of their credibility as fiscal managers over the course of their government. I remind Senator Conroy that as to the measure of this matter, under GFS, government finance statistics—the standard on which the major budget aggregates are drawn—gains or losses on foreign currency swap transactions are not classified as revenues or expenses and have no direct impact on underlying cash or fiscal balances.

What does have an impact on the budget is the fact that we have to keep paying public debt interest on the debts that Labor left us. The Labor Party left us with an annual outgoing of $8 billion on public debt interest on the debt that they left us. We have, as a result of our very careful management of fiscal matters, reduced that public debt interest down to $4 billion per annum. That is still too much. We want to eliminate that $4 billion that we have to keep paying out on the residue of Labor’s debt and we will continue to drive down that debt. We drove down the debt another $3.7 billion in the last financial year, so our record is exemplary on that matter. We will continue to manage down, in the most responsible fashion possible, the debt that Labor left us.

Senator CONROY—Mr President, I ask a supplementary question. I repeat the question that the minister failed to answer, which was: why did the Treasurer in February 2002 state, ‘There are no losses’? Is the minister aware that the web site of the Australian Office of Financial Management shows that eight of the 14 contracts that matured in 2001-02 did so between July and December 2001—that is, before the Treasurer made his claim that there were no losses? Minister, once again, did the Treasurer mislead the public, and why has he failed to correct the record?

Senator MINCHIN—As I understand it, there is to be a discussion of a matter of public importance in the House in which the Treasurer will very gladly and in great detail answer that allegation, and I am sure he will do it in such a way as to destroy Senator Conroy’s case. I again point out to the Senate, as I did in answer to the previous question—and this will be confirmed in the AOFM annual report to be released in November—that in the last financial year the valuation of the stock of swaps in total showed a net gain of $1.2 billion.

Senator Conroy—Mr President, I rise on a point of order on the question of relevance. The minister is answering a question quoting unrealised figures. I asked him a question specifically on realised losses of $1 billion. I ask you to call on him to answer the question I asked.

The PRESIDENT—I cannot direct a minister. He can answer the question in whichever way he pleases. Minister, I ask you to conclude your answer.

Senator MINCHIN—I am sorry that Senator Conroy finds the answer inconvenient. It is an answer which destroys his case.
The fact is that the value of the stock increased by $1.2 billion in 2001-02.

Indonesia: Terrorist Attacks

Senator BARTLETT (2.22 p.m.)—My question is to the Minister representing the Minister for Foreign Affairs. Yesterday Minister Downer, speaking in the Australian consulate in Bali, noted that clearly a number of casualties of the bombings are Balinese. He further said that Australia had just made the offer to fly Indonesians to Australia for additional care if that proves necessary. Given that there are almost certainly Indonesians who are in need of expert medical aid, particularly in areas such as burns treatment, has the government’s offer to fly Indonesians to Australia for medical treatment been taken up?

Senator HILL—I do not have a brief on that. I will get advice and get back to the Senate as quickly as possible.

Senator BARTLETT—Mr President, I ask a supplementary question. According to reports and, I think, statements made by the minister himself in this chamber yesterday, Australian defence aircraft have evacuated people to Australia—injured citizens of a number of other countries, including New Zealand, Canada, UK, Sweden, Germany, South Africa and Hong Kong. Could the minister find out if there is a specific reason why no Indonesians who were in need of specialist assistance have been included in the initial evacuations?

Senator HILL—I will ask the specific question, but I am confident in saying that the Air Force, in conjunction with the doctors at the hospital, determined those who were most in need of that assistance in Australia and transported them, and their race would be totally irrelevant in the determination of that decision. It was a humanitarian mission to help those who needed help, not to discriminate on the basis of their nationality or race.

Indonesia: Terrorist Attacks

Senator CHRIS EVANS (2.25 p.m.)—My question is directed to Senator Hill, Minister for Defence and Minister representing the Prime Minister. Can the minister indicate what the government’s assessment was of the threat to Australians in Bali at the time of the terrorist bombings? Can the minister indicate whether the security risk to Australians in Bali before the bombings was assessed as being higher than in other Indonesian provinces or in South-East Asian countries more generally? Can the minister also indicate what the current threat assessments are for Australians in Bali and elsewhere in Indonesia and the wider South-East Asia region?

Senator HILL—The threat assessment has been high and, as I recall, has been high since 11 September 2001. I do not think that that was changed in the period between 11 September 2001 and the bombings in Bali. In addition to that threat assessment, there have been travel advisories. As a matter of interest, on 10 September 2002 DFAT highlighted the level of travel warning for Australians visiting Indonesia. Basically, the travel advisory has been, throughout this period, to take care. There has not been a travel advisory not to travel to Indonesia, but there has been a travel advisory to take care. On 10 September, DFAT highlighted that level of travel warning for Australians visiting Indonesia. This included advice that, in view of the ongoing risk of terrorist activity in the region, Australians in Indonesia should maintain a high level of security awareness, and warned of the threat of bomb explosions, including in areas frequented by tourists. DFAT had also issued travel bulletins, most recently on 3 October 2002, advising of the threat of terrorism in South-East Asia, including Indonesia. These relayed warnings issued by the US to its citizens and advised Australians to maintain a high level of security awareness in light of these.

Senator CHRIS EVANS—Mr President, I ask a supplementary question. I thank the minister for his answer. I wonder whether the minister can answer the last part of my question, which went to the current threat assessment for Australians travelling either in Bali or Indonesia or in South-East Asia more generally. What is the current threat assessment? I also ask: what prompted the change in the travel advisory on 10 September? Was that brought about as a result of the information which saw the US embassy in Jakarta
close, I think, and people put on high alert? Was that what brought about a change in the assessment on that occasion?

Senator HILL—The risk assessment continues at the high level. What has changed since the bombings in Bali is that the travel advisory suggests that travellers defer travel to Indonesia. In relation to the matters that led to the particular travel warning issued on 10 September 2002, I will need to seek advice from DFAT. I will do so and report back.

Computer Games: Classification

Senator HARRADINE (2.29 p.m.)—My question is to the Minister for Family and Community Services. Has the minister focused on the proposal to introduce an R classification for computer games, previously banned, which will allow heightened depictions of realistic violence and implied sexual violence and realistic simulated activity, all interactive, with the operator gaining, say, points for the number of people killed? Is the minister concerned at the increased level of aggressiveness in the community likely to result from this? Has the Department of Family and Community Services had any input into the discussions within the government and, if so, what?

Senator VANSTONE—Senator Harradine, I thank you for the question. I take it that you were asking me that in my capacity today representing the Attorney, but if you are asking me in my own capacity my answer is that in my capacity I have no legislative responsibilities or opportunities to influence that, but the Attorney does. As it happens, I have an answer to a question in a brief from the Attorney that answers the question, ‘Will the government introduce an R18+ rating for computer games?’ I think that might address the concerns that you have raised.

Senator Harradine—Mr President, I rise on a point of order. My question was addressed to the minister in her capacity and was specifically related to her responsibilities, not the Attorney-General’s responsibilities.

Senator VANSTONE—Senator Harradine, if you do not wish to have the Attorney-General’s advice, when he represents the government in relation to this area, I will not bother with that and I will send it to you by email. You can look at it at your leisure if you are interested. But if you are interested in my personal view as Minister for Family and Community Services about concerns vis-à-vis violence—and I will answer this not restricting it to computer games—my answer would be the same for computer games as it would for television and for movies. I believe that, if you ask a significant number of women, they would rather see the eradication of sexual violence from television, radio and computer games, than have us look at sexually explicit material. Many people accept that sexual activity of itself need not be considered offensive in terms of films and television—I do not know whether that relates to computer games; still, what is more offensive on television is simulated sexual activity associated with violence. Any woman that I have spoken to about this wants violence taken out, rather than being concerned about sexual explicitness.

Senator HARRADINE—Mr President, I ask a supplementary question. That is precisely the question that I asked. I asked you the question about the increased levels of violence. Indeed, what you are putting in here, which you had banned before, is that sexual violence can be depicted in the computer games—where it was refused before. I ask the minister again: what is the Department of Family and Community Services doing, or what are you doing, about that? Is it not a fact that the Labor Attorney-General in South Australia said that they are not going to have a bar of this new R classification which will allow all this extra stuff? What do you—as a South Australian senator, if you like—think about that?

Senator VANSTONE—Thank you very much for the question, Senator Harradine. As unsatisfactory as it may be that government organises itself on the basis that particular people have particular responsibilities—I look back over history and I think it has been the case for a while—and the Attorney does have specific responsibility here, I will make sure that his answer in relation to this matter on behalf of the government is faxed to you.
Drought

Senator O’BRIEN (2.34 p.m.)—My question is to Senator Vanstone, the Minister for Family and Community Services. Is the minister aware of the promise made on 19 September this year by the Minister for Agriculture that interim exceptional circumstances welfare assistance would be—and I quote him—‘immediately available’ to farmers in Bourke and Brewarrina? If so, did the Minister for Agriculture, Fisheries and Forestry, Mr Truss, discuss this promise with the minister before he made it? Can the minister advise why there was a delay between Mr Truss’s promise of immediate assistance on 19 September this year and the availability of the necessary Centrelink application form on 10 October this year? How many farmers have now received Mr Truss’s promised payments?

Senator VANSTONE—Senator, I thank you for the question. I have had no discussions with Mr Truss about this matter, but it may be that people from his department have had negotiations, either with officers of my department or, more likely, directly with Centrelink, to contract them to deliver a service. As you know, Centrelink is the magnificent government services delivery agency created by this government and it will deliver services on behalf of a wide range of departments, including this one. I have not personally had a discussion with Minister Truss about it, but I do not rule out there having been other relevant discussions in relation to this. You say that Mr Truss said the payments would be immediately available: I will take the opportunity to look at the press release. I am not disputing what you say, Senator; I simply want to confirm that he did not say they would be immediately available from a certain date. I will make inquiries with Centrelink about the availability of the forms, which you advise me were not available when they should have been available.

I will also get from Centrelink such information as I can, and as quickly as I can, on the number of people who have been able to access this assistance. I am reluctant to apportion any blame in advance because Centrelink, like any organisation or any person, do make mistakes, but you do give me the opportunity to put on the record that, given the number of people they service—about 6½ million—and given the number of different benefits that they deliver and the number of agencies—some 20, I understand—on whose behalf they deliver those benefits, Centrelink do a tremendous job. We have very few complaints from Liberal, Labor or Democrat senators or members about the way Centrelink undertake their work. They treat people who need assistance as customers who are to be respected and assisted at every possible turn. That is, I think, a dramatic improvement on the service that people in need of assistance used to receive. I do not rule out that they have made a mistake; I hope they have not. I do not hope it is in another department either, but I certainly hope it is not in Centrelink. If it is, it will be a rare occurrence and I am sure they will have attended to any problem as quickly as they could—as I will get you an answer as quickly as I can.

Senator O’BRIEN—Mr President, I ask a supplementary question. I note the minister’s praise of Centrelink and I wonder whether the minister was aware that Minister Truss has blamed Centrelink for the government’s failure to deliver immediate assistance to drought-stricken farmers from 19 September, as promised by Mr Truss. I advise the minister that Mr Truss’s promise was made twice in the Hansard on 19 September and on 25 September—

Senator Knowles—The parliament, not the Hansard.

Senator O’BRIEN—He made it in the parliament; it is recorded in Hansard—you are right. If it is correct that it is the fault of Centrelink, do you, Minister, accept responsibility for the bungle?

Senator VANSTONE—Senator, I thank you for the question. I have just been handed an answer from my colleague on income support delays. I do not think I will have time to give it in the one minute available to me, but I will give it to you straight after question time and perhaps I will incorporate it when I have had a chance to have a look at it. If Mr Truss has been critical of Centrelink and Centrelink have made a mistake, then Centrelink would not be concerned about
that criticism because, if they have made a mistake, they expect to be criticised. It is an organisation that works on the basis that it must always try to do better; it is an organisation that in fact welcomes criticism to try and do better next time. It is quite an unusual organisation in terms of government service delivery. It does a tremendous job, and it welcomes any criticism because that gives it the opportunity to get better. If Mr Truss has inappropriately criticised Centrelink, I will have a quiet word with him.

Indonesia: Terrorist Attacks

Senator KNOWLES (2.39 p.m.)—My question is to the Minister for Health and Ageing. Will the Minister update the Senate on how Australia’s first-class health care providers are assisting all victims of the terrorist attack in Bali?

Senator PATTERSON—I thank Senator Knowles very much. In answer to an earlier question, I indicated that I had spoken to the relevant health ministers and/or their chiefs of staff to ensure that I was kept up to date in a first-line way with the ministers themselves. As I said, our doctors and nurses and every other part of our health system that have been involved have responded in a magnificent way. Since the beginning of the crisis, the Commonwealth Department of Health and Ageing has been in constant contact, as I said, with the states and territories to ensure the coordination of health resources. In Bali, counselling services have been provided to relatives and victims by four ADF chaplains, two psychologists and one trauma counsellor at the registration centre in the consulate and at the morgue in Bali. These services will be supplemented in the next few days. The consulate is also in the process of establishing support services to assist Australian and other volunteers who came to the assistance of victims following the explosion.

As I said yesterday, my department arranged for the dispatch of four medivac teams to Darwin and for a quantity of medical supplies to be sent to Bali. The department has also played a major role in facilitating the transfer of 49 serious patients to major hospitals in other states—of these, six went to Adelaide, 11 to Brisbane, eight to Melbourne, 12 to Perth, 12 to Sydney and I think seven injured people remain in Darwin hospital. These transfers were required because Darwin did not possess sufficient capability to handle adequately these serious burn cases. Twelve injured foreign nationals have been evacuated, including at least five seriously injured persons, and they have been distributed to major hospitals around Australia. As part of its national coordination role, my department is assisting in the compilation of a full list of people who have presented in Australian hospitals suffering from injuries received in Bali. Some of these people were not necessarily evacuated; they presented after having come back by commercial flights. This list will assist health authorities in management of longer term health support, including improving access to mental health services and rehabilitation. Importantly, we will work with the states and territories to ensure victims receive the care and rehabilitation they need. The Commonwealth is also compiling a national list of state counselling and mental health resources to ensure people can access these services. A national list of 1800 numbers is available on my department’s web site: www.health.gov.au. It is clearly there, and there is a hot sync for people to access the relevant counselling services.

I want to congratulate the significant goodwill and effort being displayed by many private companies and community organisations across Australia in assisting the victims and families of the tragedy in Bali. Private hospital groups and pharmaceutical companies have made generous offers to donate medical supplies and services to the Indonesian victims of the bombing, and the government is currently working with them to determine what is required. I thought Senator Bartlett might be interested in that particular part of my answer. The Australian Private Hospitals Association have offered whatever assistance they can in treating Australian patients, and the health funds have offered to treat Australian victims as if they were injured in Australia. I thank them for their offer.

I just want to extend, once again, my appreciation to my state and territory col-
leagues for their efforts in these tragedies and to the senior bureaucrats and bureaucrats—many of whom have worked well beyond the call of duty to ensure the coordination of the treatment of people who are so seriously injured.

Research and Development: Taxation

Senator GEORGE CAMPBELL (2.43 p.m.)—My question is to Senator Coonan, the Minister for Revenue and Assistant Treasurer. Is the minister aware of industry concerns surrounding the restrictive treatment by the Australian Taxation Office of the research and development tax concession cash offset? Is it the case that the patchwork make-up of shareholders involved in emerging companies means that the turnover threshold of $5 million and an R&D expenditure threshold of $1 million is very often hard to calculate? Can the minister confirm that a business is not eligible for the tax offset of a tax exempt entity that has 25 per cent or more control of the business conducting the R&D? Does this condition mean that companies in receipt of Commonwealth investment via the innovation investment fund may not be eligible to access the tax offset?

Senator COONAN—I thank Senator George Campbell for the question, although I do wonder about its appropriateness at this time. The R&D tax offset that has been introduced by the government is a very significant concession, effectively providing a refundable rebate of up to 37.5 per cent for R&D expenditure. Small companies—and this is very important—particularly those in tax loss, can now access the R&D tax concession as a refundable tax rebate. This will increase the cash flow of such companies when they need it most, which is of course during their initial growth phase when they do need to access it. The government considers that the R&D tax offset does strike the necessary balance between providing what is in fact a very generous concession and ensuring that its integrity is maintained.

The R&D tax offset has a number of eligibility criteria to ensure that all recipients are in fact small businesses. The $1 million maximum R&D expenditure applicable to the offset is consistent with the government’s policy objective of assisting small companies. In developing this threshold, careful consideration was given to determine that the measure was effectively targeted at the intended beneficiaries. The grouping rules that form part of the eligibility criteria for the R&D tax offset and the turnover threshold rule are both designed to ensure that larger entities do not split into smaller entities and inappropriately gain access to the offset. Reliance on the general anti-avoidance provisions is considered to be an effective method of addressing the problem.

The law relating to the offset allows a maximum interest by tax exempt entities of 25 per cent. This balances the importance that is attached to this measure to assist universities and other similar institutions being involved in research and development with the Commonwealth’s responsibility to ensure the integrity of the tax system is maintained. While these rules are necessary to maintain the integrity of the tax concession, I can assure Senator George Campbell that the government has ensured the complexity is as minimal as possible. In particular, the grouping rules used for the offset are based on the grouping rules for the simplified tax system so it all fits together. This way, small businesses do not have to become familiar with two different sets of rules.

Senator GEORGE CAMPBELL—Mr President, I ask a supplementary question. Will the minister assure the Senate that the ATO is not restricting access to the tax offset in order to deter companies that have applied for it in the absence of the R&D START grant fund? Is this program another casualty of the blow-out in the budget deficit? When will this government reinstate the R&D START grant fund in order to take pressure off the R&D tax concession cash offset?

Senator COONAN—I have no knowledge of the ATO restricting any application for the R&D concession. The answer that I previously gave shows in great detail that in fact it is an appropriately targeted measure and it is meeting its target.

Indonesia: Counter-Terrorism Training

Senator BARTLETT (2.47 p.m.)—My question is to the Minister for Defence. Can the minister comment on reports that after
official talks in Jakarta today Australian SAS forces will resume—or, according to some reports, have already resumed—counter-terrorism training for Indonesia’s Kopassus special forces, whom we severed links with a couple of years ago? As the minister would know, members of Kopassus have previously been widely suspected of having supported East Timorese militias and of being involved in the bloodbath in that country, and as recently as December last year some Kopassus members were suspected to have been behind the death of a West Papuan leader. Can the minister confirm whether training of Kopassus special forces by Australia has resumed and, if so, on what date? Is the government confident that Kopassus has been adequately reformed?

Senator HILL—No, training with Kopassus has not resumed. There have not been joint exercises, for example, with Kopassus, and the reasons relate to historical circumstances that the honourable senator outlined. However, we are aware of the role that Kopassus has in relation to counter-terrorism responsibilities in Indonesia. Therefore, it may well be in Australia’s interest to redevelop the relationship as it relates to counter-terrorism activities. But it has not progressed to the situation of training as yet.

Senator BARTLETT—Mr President, I ask a supplementary question. I thank the minister for his answer. Minister, can you confirm whether or not this potential reintroduction of training between Australian SAS forces and Kopassus is a key component of any discussion occurring at the moment with the Minister for Foreign Affairs in Indonesia?

Senator HILL—I am not sure of the detail of what Mr Downer has said. What he is seeking to do is to ensure that those who perpetrated this horrible act of violence are brought to justice as quickly as possible. That is the principal purpose of his visit to Jakarta. I have no doubt that he is also talking with Indonesia about ways we can support Indonesia to provide a safer environment in the future for both Indonesian people and foreign visitors. That is something that we would certainly expect of him. In relation to the detail of his discussions, that will have to await his return.

Research and Development: Funding

Senator GEORGE CAMPBELL (2.50 p.m.)—My question is to the Minister representing the Minister for Industry, Tourism and Resources, Senator Minchin. Does the minister recall announcing in a press release on 17 July 2001 when he was the Minister for Industry, Science and Resources, a $40 million increase in funding to support the expansion of the COMET program and in particular to increase the number of business advisers from 10 to 17? In announcing this increase, didn’t the minister state that ‘the demand for COMET management and financial services was overwhelming, with a higher than anticipated number of quality applications’? If this is the case, why is the Howard government cutting the number of business advisers from 17 back to 10? Can the minister provide the reasons for the slashing of this important commercialisation assistance program for small and medium sized businesses?

Senator MINCHIN—I do recall that press statement, and it was a very appropriate and sensible part of our great initiative, Backing Australia’s Ability, which has done so much to improve innovation in this country. We are delivering while Labor talks. The COMET program has helped over 600 small innovative companies to progress their emerging technologies over the last 2½ years. It is administered within its budget to get its maximum benefit from the taxpayers’ investment. As part of a funding overlap with the implementation of the Backing Australia’s Ability program, COMET funds were fortuitously, but as a one-off, doubled to $20 million in the financial year 2001-02; funding returns to the original level of $10 million for 2002-03. That did allow the number of business advisers to be increased from 10 to 17—which I think was fortuitous and welcome—for an 18-month period only.

An example of the program’s success is that around $100 million in equity funding has been raised by participating companies. We recently received a thankyou letter from a COMET recipient, PowerConnex, which said:
The COMET program has provided enormous benefits to our business... We have no doubt that our rate of commercialisation has been fast tracked via the COMET program.

Australia consistently ranks in the top 10 of OECD countries in expenditure by government research institutions. Programs such as COMET are assisting in the commercialisation of innovations from that research. It is a great program. It is funded at the ongoing level of $10 million a year. It is fortuitous that, as a result of Backing Australia’s Ability, we were able to double it in 2001 and 2002. It has now returned to its normal level, which we will continue to sustain.

Senator GEORGE CAMPBELL—Mr President, I ask a supplementary question. Minister, why is the Howard government failing in its responsibility to foster the capacity of Australian businesses to extend their innovative products into the global marketplace? Is this program another casualty of the blowout in the budget deficit or, alternatively, is this just another symptom of this government’s ignorance of the commercialisation needs of Australia’s small and medium sized businesses?

Senator MINCHIN—On this side we really are sick of being lectured by the Labor Party about the budget. These are the people who drove the budget into so much deficit. They are the ones who are trying to prevent us from getting the budget back into order. They sit there blocking our budget at the moment. They are blocking our savings measures through the PBS and DSP. Now they have the hide to lecture us and say that we should be spending more money on innovation programs. We are the ones who brought in the $3 billion Backing Australia’s Ability program. It is as a result of our excellent fiscal management that the government has been able to be in a position to spend that sort of money on innovation. If we still had them governing, we would have annual deficits of $10 billion and we would have to cut all of those programs. It is only as a result of our good management that we are able to invest in these excellent innovation programs.

Indonesia: Terrorist Attacks

Senator EGGLESTON (2.54 p.m.)—My question is to the Minister for Revenue and Assistant Treasurer, Senator Coonan. Will the minister inform the Senate about what else Australians can do to assist the victims of the Bali bombing disaster?

Senator COONAN—I thank Senator Eggleston for the question and for his interest and care about the issue. All Australians have been horrified by the devastation in Bali and feel very deeply, I am sure, for those loved ones who have been killed or injured. While we have seen an absolutely marvellous response from the Australian armed forces and medical personnel, many everyday Australians clearly want to know what they can do to assist and how they can help the victims of this terrible tragedy. My office has received many calls from business organisations and individual Australians who have been watching this unimaginable tragedy unfold on their televisions and are wanting to know what they can do to help.

I am pleased to be able to inform the Senate that the Australian Red Cross is today launching an Australia-wide appeal to help the victims of the Bali bombing disaster and to assist their families in coping with the tremendous loss and human suffering caused by this devastating incident. As a humanitarian relief organisation, the Australian Red Cross is already providing services to the victims of the Bali bombings, including blood and blood products, reception and registration of evacuees, coordination of accommodation needs and personal support. Through the Bali appeal the Red Cross will help to alleviate the loss suffered by the victims who have been injured in the blast or who have lost family members.

Money from the fund will also be used to help those who will suffer sustained physical and emotional trauma and economic loss as a consequence of the disaster. I do hope that all of my colleagues in the Senate would agree that it is important that funds raised through the tremendous generosity of the Australian public are directed to the areas of greatest need and where other sources of funds and support are lacking. The Red Cross will liaise with relevant government agencies and
community organisations to determine the area of greatest need. I am also able to confirm that the Commonwealth government will be making a contribution of $1 million to start this appeal.

The desire of the Australian community to assist has really been palpable, but I think it is unsurprising. As a nation we have shown time and again our ability to pull together as a community against adversity. It is, after all, what we have come to recognise as the Australian way. The current disaster is no exception. Donations made to the Red Cross appeal will be used both to assist Australian victims and their families and to assist the Red Cross with its work providing relief, dressings and medical supplies in the affected area in Bali and to cover future needs, including recovery and reconstruction.

The Australian Red Cross will develop criteria for assistance and distribution based on a needs assessment of the medical, psychological and financial circumstances of victims. The level of assistance will depend, of course, on the size of the donations received as well as the assessment of needs. Tax deductible donations can be made online at the Australian Red Cross web site, by mail, by telephone or at any branch of the National Australia Bank. I have been urging Australian insurers to take a compassionate approach when dealing with claims on travel insurance and I can inform the Senate that the response from insurers has been very promising indeed.

There is no need I think to call on Australians to help, because Australians will do so. Just today I have been informed about medical suppliers in Perth, working through the Salvation Army, donating more than 12 tonnes of medical supplies which were kindly flown to Bali by Garuda. The Salvation Army have been involved, as they always are, in counselling loved ones returning from these kinds of tragedies. (Time expired)

Senator EGGLESTON—Mr President, I ask a supplementary question. Are any other Australian welfare organisations assisting in providing services to the people of Bali?

Senator COONAN—I had just a couple more points that I can inform the Senate about. The Australian—

Senator Carr—How thoughtful!

Senator Calvert—Order! Senator Carr.

Senator COONAN—Thank you, Mr President. I thank Senator Eggleston for the supplementary question. I was saying that the Australian Army has been involved in providing counselling for loved ones returning to Australia and accepting tax deductible donations for the Balinese victims. These and many other examples demonstrate the generous spirit being shown by all Australians during this dark time. I commend this generosity and also the generosity of each and every Australian and Australian organisation who generously steps forward to help at this time of need.

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

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS

Indonesia: Terrorist Attacks

Senator HILL (South Australia—Minister for Defence) (3.00 p.m.)—Senator Bartlett asked me about Mr Downer’s offer of Australian assistance in evacuating Indonesian citizens. Yes, Mr Downer yesterday offered Australian assistance in evacuating Indonesian citizens to Australia for additional medical treatment if necessary. The Indonesian government has not yet indicated whether it wishes to take up this offer. We would determine whether or not to use commercial or defence assets in the implementation of this commitment according to the needs of the patient.

Budget: Printing Industry

Senator COONAN (New South Wales—Minister for Revenue and Assistant Treasurer) (3.00 p.m.)—I have some further information in response to a question from Senator George Campbell on 18 September this year. I seek leave to have the answer incorporated in Hansard.

Leave granted.

The response read as follows—
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?

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:

Senator Campbell would be aware that Mr Macfarlane issued a press release on 14 May in relation to the decision to close the EPIC scheme which was announced as part of the budget. The Government has subsequently decided to restore the EPIC scheme. Funds have not been redirected from existing programs to restore EPIC so no other programs have been affected by the decision. Any budget implications of the decision to restore the program will be identified in the Mid-Year Economic and Fiscal Outlook.

Drought

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (3.01 p.m.)—Earlier today Senator O’Brien asked me a question in relation to Centrelink and some payments. I can advise some detail of that answer now, if that is satisfactory. My office has received a call from Minister Truss’s office assuring me that Mr Truss has never made any remarks critical of Centrelink. In fact—rightly so, it appears—he is terribly complimentary about the role that Centrelink has played. I am very pleased to hear that news. I have also had an answer from Minister Ian Macdonald giving some of the detail that you wanted. As at 16 October, a total of 108 application forms had been issued, including those issued to the 50 customers who had already contacted Centrelink—presumably by phone.

Honourable senators interjecting—

Senator VANSTONE—I have had a look at the answer, and I do not think it indicates either way in relation to that. The question really should have been directed to the minister responsible for this program, who would have more answers.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

Senator CONROY (Victoria) (3.02 p.m.)—I move:

That the Senate take note of answers given by ministers to questions without notice asked by opposition senators today.

What we are seeing here today, and hearing from the other place, is an attempt to confuse the truth. We have seen the Treasurer caught out misleading the Australian public. In February this year he was asked a very specific question about the losses and realised losses caused by the Treasury and the Treasurer’s mismanagement of the portfolio. He was asked specifically and he said, ‘There are no losses.’ He said that in February 2002. We have found, through answers given at the Senate estimates hearings and on the AOFM’s own web site, that there were in fact realised losses in that financial year. In fact, the Treasurer misled the Australian public. He deliberately did not reveal, when asked further questions in the parliament and in subsequent press conferences, that he had misled the public. He has breached the ministerial code of conduct. What the AOFM web site shows is that—

Senator Brandis—Mr President, on a point of order: the language is unparliamentary, it casts reflections on the Treasurer and it is an allegation of dishonesty, and you should rule it out of order under standing order 193(3).

The DEPUTY PRESIDENT—The Clerk and I have had discussion on the point of order. Senator Conroy has not at this stage said ‘deliberately misleading’, which would be quite unparliamentary. I will listen to the further statements Senator Conroy makes, but at this stage there is no point of order.

Senator CONROY—The AOFM web site—that is part of the Treasury department, on its own web site—reveals that eight of the 14 contracts entered into by the government matured (that means paid out) prior to Feb—
ruary 2002. The Treasurer said there were ‘no realised losses’, yet the government and the Treasury had paid eight cheques to the banks in Sydney that were losses. That is what this debate is about: realised losses. We saw Senator Minchin and Senator Ian Campbell before question time trying to distract and confuse—trying to add together apples, oranges and pears to pull the wool over the Australian public’s eyes. This is a very simple question of maths. We now know from the Treasury the portfolio’s losses and gains and we have now been able to work out the exchange rates. When you have all three of those and you add them together and do the maths, simple maths shows that this mob have lost $1 billion of taxpayers’ money.

These are not unrealised gains or losses they are trying to talk about today—not the unrealised gains and losses the ‘Treasurer is talking about in the other place and will no doubt move on to shortly. These are real losses out of taxpayers’ pockets—$1 billion. We have seen another pathetic attempt by Senator Minchin to argue: ‘It doesn’t come off the bottom line. We’re allowed to not account for it. It hasn’t really affected the deficit.’ How can the government accounts, which have been qualified by the Auditor-General, represent a true and fair account of the government’s finances when they do not include $1 billion worth of losses? How on earth can they be a true and fair account?

The government want to hide behind an Enron style accounting fiction: ‘We don’t want to acknowledge that we’ve had these losses. We don’t want to have to explain that this was a loss on the balance sheet in the budget statement, so we won’t account for it; we’ll say it’s below the line.’ That is what they have done. You heard Senator Minchin say, ‘We’re allowed to do this; we’re allowed not to include this as part of the losses.’

What they should be doing is fessing up to the Australian public, because a billion dollars has already been lost and—guess what?—losses of $4 billion more are to come. They will continue to try to pretend that they are not losses. They will continue to try to pretend that the taxpayer is not taking it out of their pocket and giving it to the banks in Sydney. They have completely and monumentally stuffed this up. That is what this debate is about: some truth, some accountability and some honesty from the government. Today, in answering these questions, they finally confessed that they have lost $1 billion and that losses of $3 billion or $4 billion more are still to come. It is taxpayers’ money. The minister has misled the parliament; the Treasurer has misled the Australian public, and hopefully he will come clean this afternoon. (Time expired)

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (3.08 p.m.)—As I said before question time, you can always get a rise out of Senator Conroy and the opposition when you get them talking about the debt that the Australian Labor Party ran up when it was in government. Senator Conroy does not like the fact that the only issue he can find to challenge the government on is economic management. In the latest Bulletin, Laurie Oakes said that it is ‘a two-edged sword for Labor’, because, every time the issue is raised, the government reminds Labor that the reason we are dealing with the difficult issue of foreign currency exposure is that the Australian Labor Party ran up tens of billions of dollars worth of debt during its time in control of the exchequer in Australia. I see that Senator Conroy is slinking out of the chamber because he does not like to be reminded of Labor’s bad economic management. But his leader, Mr Crean, accused the Treasurer of being ‘asleep at the roulette wheel’.

I note that, in his contributions, Senator Conroy likes to talk about gambling losses. Gambling is a term that you cannot apply to the Treasurer or to the Howard government. It is a government that has come into government with a determination to make good economic management its hallmark, because, on our side of the chamber, we members of the government know that good economic management delivers quality, high living standards and security for people, wherever they live, in Australia. We know that, if you can repay the debt that Labor ran up, you can reduce interest rates. All the people who live in the suburbs and across the country and in regional areas of Australia are paying lower
interest rates on their farms, their small businesses and their homes as a result of the sound economic management of this government. In fact, we are repaying the debt that was run up by Senator Conroy's mob—the Australian Labor Party, the wreckers of the Australian economy—in two spectacular periods of Labor government in the second half of the last century.

We had, of course, the Whitlam experiment of economic management that saw government expenditure go from 21 per cent up to nearly 26 per cent of GDP, with the second biggest tax rises in Australian history. Then, in 1975, the Whitlam government was turfed out ignominiously. Not content with that, we had Mr Whitlam's friends from the New South Wales Right move back into the federal Treasury in the guise of Mr Keating. And what did Mr Keating and one of his finance ministers, Mr Beazley, and his other cabinet minister, Mr Crean, do when they got there? They actually outdid Mr Whitlam in tax increases. Not only did they outdo Mr Whitlam on tax increases; they outdid Mr Whitlam on cranking up debt. The record shows, the Treasury figures show and the budgets show that they ran up debt to $96 billion. They did not quite crack triple figures, but they were on their way. What did we do? We came in and, through sound economic management, cutting expenditure where we could and using privatisation proceeds to repay debt, we have reduced that debt by about $60 billion in the first six years of the Howard-Costello economic management team.

So Labor come in here today and say, 'But you've lost money on foreign currency swaps.' It is foreign loans that we are trying to get rid of. We are seeking to repay those loans. Labor have stopped us by opposing privatisations but they have said that we are at the roulette wheel. These are the people who walked up to the roulette wheel, put all the money on it and rolled the dice. But we have gone to that roulette wheel—if you want to use that analogy—to get all the money off it, yet Labor are saying, 'No, we want you up there; we want you to expose to that risk,' and they have the hypocrisy to walk into this place once again and accuse us. We want to get rid of the foreign debt; we want to get rid of the government debt, but Labor want to keep it. That is the clear policy difference on this. There is no other difference. In terms of the allegation that it was a $1 billion loss, the fact is that that stock actually gained in value by $1.2 billion in the last year, so it was not a loss; it was actually a gain. I suggest to Senator Conroy that, if he wants to have a debate on this, he should get his facts right. *(Time expired)*

**Senator O'BRIEN** (Tasmania) *(3.13 p.m.)*—I note that there are a lot of things that could be said about what Senator Campbell has just said—and no doubt that will be debated, particularly when we debate just how this government has mismanaged the sale and lease-back of Commonwealth properties. I understand that, for one property alone, it is costing the Commonwealth an additional $95 million.

But what I want to talk about today is the answer that Senator Vanstone gave me. It is very interesting that, in her supplementary answer after question time, she indicated that she had been advised that Mr Truss was not responsible for allocating any blame to Centrelink for nonpayment of the exceptional circumstances relief that Mr Truss promised on 19 September would be delivered immediately, would be immediately available to farmers in western New South Wales in the area which is most drought affected. I think I said that he repeated that in the House on the 25th. It was actually on 24 September that he repeated that assistance was now available, but it was discovered that, as of 9 October, no relief had been paid because no-one could get a form to apply for it. The suggestion is that no blame had been attributed to Senator Vanstone's department, but if you look at the media coverage of Mr Truss's response to the revelation by New South Wales MLA Mr Tony Kelly that no relief had been paid, ABC Rural News on that day said:

Federal Agriculture Minister Warren Truss says the administrative problems have been resolved and assistance forms are now available online.

The administrative problems are allegedly those that existed in Centrelink. The AAP wire early in the morning of 9 October quoted Mr Truss's spokesman as saying:
There had been delays in the payments through Centrelink but the minister had promised the money would be backdated. Our department hands it over to Centrelink to administer the exceptional circumstances relief payments. There appears to have been some delay.

If that is not a statement that the delay was attributable to Centrelink then I do not know what is. The fact of the matter is that Minister Truss has made an exceptional mess of the national exceptional circumstances program and it is disappointing that the Minister for Family and Community Services has now been drawn into Mr Truss’s mess, but I suppose that is not surprising given her problems with family payments. Unfortunately it is not Mr Truss who has to bear the consequence of this problem; it is the Australian farm families who have been affected. As I said, he made a very clear and deliberate promise on 19 September to make exceptional circumstances relief immediately available to farmers in western New South Wales. On 19 September he said:

... welfare payments will be available to the eligible producers amongst the 471 farmers covered by that particular application, and they will be available immediately.

This is a clear demonstration of this government’s commitment to do what it possibly can to help make the exceptional circumstances arrangements work much better.

The only thing he was right about there was that the broken promises this government makes to farmers are an example of its commitment to them. He was not content to make the promise and not keep it, he had to repeat it on 24 September. Both answers were to Dorothy Dix questions from the member for Parkes. They were not impromptu off-the-cuff responses in debate; he prepared those comments. If he thinks it is bad enough to make promises to parliament and not keep them I can assure him that in my discussions with farmers in western New South Wales and my experience from listening to the radio and talkback, so far as you can see in drought circumstances—(Time expired)

Senator BRANDIS (Queensland) (3.18 p.m.)—I wish to take note of answers by Senator Minchin, as Minister representing the Treasurer, to questions directed by Senator Conroy concerning the Commonwealth’s foreign debt portfolio. Whatever Senator Conroy lacks in intellect he more than compensates for in sheer effrontery. Because to hear Senator Conroy, of all people, attacking the Treasurer and the Howard government for their management of the economy on this issue in particular—the issue of the management of the Commonwealth’s debt portfolio—is indeed an extraordinary piece of barefaced cheek.

The foreign currency holdings are a management tool for the management of the Commonwealth’s debt portfolio. Fifteen per cent of the Commonwealth’s debt is held in foreign currencies. That was the case until December 2000, when the Treasurer took a decision to wind back the foreign currency holdings. But of course that begs the question: where did the debt come from? The only reason the Commonwealth holds 15 per cent of its debt in foreign currency is because there is a debt in the first place. Where did the debt come from? We all know where the debt came from: it came from the Hawke and Keating Labor governments and particularly the Keating government. It is not to be forgotten. It ought never to be forgotten that by the time the Keating government was thrown out of office in 1996 there was $96 billion of public debt in this country: $96 billion, which constitutes an average of some $5,240 of public debt for every man, woman and child in Australia—$96 billion of debt!

The amount of interest that the taxpayer had to pay on that debt, which was not spent on social services, on defence and on beneficial public policy, was extraordinary. It has never been so high. Of that $96 billion of Commonwealth debt run up by the Hawke Labor government, and in particular the Keating Labor government, 15 per cent was held in foreign currencies. That was a policy adopted in 1988 by the Hawke government when Mr Keating was the Treasurer. It was at the time a prudent policy. It is a policy that we do not criticise. I cannot tell you off the top of my head what the Commonwealth debt was in 1988 when a decision was made by Treasury to hold 15 per cent of that portfolio in foreign currencies, but what I can tell you is that by 1996 the 15 per cent that was
held in foreign currencies constituted almost $15 billion, in Australian dollar values, of debt held in foreign currencies because of the deficit clocked up by the Hawke and Keating Labor governments.

What happened? The Howard government under the economic leadership of the Prime Minister and Mr Costello has reduced that indebtedness by $57 billion. So the 15 per cent of the Commonwealth debt portfolio held in foreign currency has gone down to some 15 per cent of $36 billion, not 15 per cent of $96 billion. That is the first difference. The second difference is that in December 2000, in view of the reduction of the necessity to hold Commonwealth debt in foreign currencies because of the reduction in the Commonwealth debt itself, the Treasurer made a decision to instruct the Australian Office of Financial Management to review debt management strategy, which was, because of the economic management of the Howard government, becoming increasingly unnecessary. And that is what was done. In June 2001, the AOFM completed the review and recommended that the amount held in foreign currencies be wound down. That is progressively what has happened since June 2001. When you hold debt in a foreign currency, it is a running account: you trade in foreign currencies. There will be times when the value of the foreign currency depreciates and times when it appreciates, and we have heard from Senator Minchin that in the last year it has appreciated by $1.2 billion. (Time expired)

Senator STEPHENS (New South Wales) (3.23 p.m.)—I also rise to take note of the answers given to opposition questions today, particularly the answer by Minister Vanstone in relation to a question about exceptional circumstance payments. I must say that I feel a little foolish having to speak about the drought and drought circumstances today because the last time I spoke on this issue it was to congratulate the government for its announcement of immediate changes to the exceptional circumstances program to improve assistance for drought affected farmers. But what has happened is that the drought has become something of a political football in this parliament and people in rural areas, especially in rural New South Wales, certainly do not have much reason to place faith in this government, and I can understand why. Minister Truss, for the Howard government, has made some interesting statements over the last few days. Quoting from his media releases, he announced the preliminary exceptional circumstances approval for farmers in the drought-stricken Bourke and Brewarrina regions, which was intended to give them immediate access to household income support, including Newstart allowances, family payments, partner allowances, health cards and Austudy. Despite his promise of immediate assistance, nothing was put in place to deliver on that promise. The application form did not actually appear on the Centrelink web site until last Wednesday, which is almost three weeks after the assistance was promised. That has certainly added to the frustration of drought-stricken farmers in western New South Wales who have been in contact with my office to tell me that the application form has not been designed yet and that all Centrelink was able to do for them was to take down their names and call back later.

The minister’s spokesperson initially did blame Centrelink, and it was interesting to hear Senator Vanstone say today that Centrelink staff had been processing these inquiries as effectively as they could and that they were subject to continuous improvement. I am certainly not suggesting that Centrelink staff have been responsible for these delays, but I do think that when the Howard government talks about whole-of-government responses to critical issues such as a drought we should see a whole-of-government response; it should be that the left hand knows what the right hand is doing. That certainly is not the case now. What we have now is a level of bureaucratic bungling that reflects a level of disinterest on the part of the government. When you make a public promise like that to the farmers of Bourke and Brewarrina, surely you should make sure that the procedures are in place to ensure it is delivered, and you should follow through.

Promises are not enough for the farmers whose livelihoods have been threatened by drought. The issue is not about who the buck
is next passed to but about money. The money is needed and it should have been made available immediately to those farming families. Farming in Australia is a perilous business; our weather variations are severe and always have been. Farming also happens to be the basis upon which some of Australia’s most vital industries are based. Like anyone who does risky work that is important to our country, farmers should be provided with a dependable safety net. At the moment it seems as though they are being asked to stay up on the trapeze while we argue about whether or not we will put out a net for them. Part of this safety net must involve addressing the long-term factors affecting drought, including salinity, water management and climate change. There again we seem to have a case of the left hand not knowing what the right hand is doing. There has been no commitment to the issue of climate change strategies over the long term by this federal government.

I would like to draw the attention of the Senate to the announcement by Minister Truss on 19 September 2002 when he said that the National Rural Advisory Council had been asked to change the procedures for EC declarations, that the process for immediate income support being made eligible to EC declared areas meant that the payments would continue for a total of two years and that if NRAC did not recommend an EC declaration the payments would be in place for six months. (Time expired)

Question agreed to.

Indonesia: Terrorist Attacks

Indonesia: Counter-Terrorism Training

Senator BARTLETT (3.28 p.m.)—I move:

That the Senate take note of the answers given by the Minister for Defence (Senator Hill) to questions without notice asked by Senator Bartlett today relating to terrorist attacks in Bali, Indonesia.

Firstly, in relation to the evacuation of people who were in need of specialist medical care, I think it is unfortunate that the minister seemed to take some form of offence to the second part of my question when I asked why no Indonesians had been among those airlifted to Australia. It is worth noting the background to this issue.

The Australian foreign affairs department has ensured that all injured Australians have now been evacuated from the island, and that is to be noted and it deserves congratulations. According to newspaper reports this morning, 86 injured people have now been airlifted from Bali, including people of a number of other nationalities. The first couple of aeromedical evacuations did consist solely of Australian nationals. Again, the Democrats’ view is that it is entirely appropriate for the Australian Air Force to focus on ensuring that severely injured Australians are provided with Australian expert medical assistance as soon as possible, and that other nationals then follow on.

From the minister’s answer to my supplementary question, or indeed his additional answer at the end of question time, it was inferred that some approval from the Indonesian government is needed to remove Indonesian nationals, and that may well be the case. The point the Democrats would raise as a consequence is that it seems fairly improbable that all the most severely injured people needing specialist medical assistance for severe burns injuries, for example, are non-Indonesian. It seems fairly likely that some people in the Indonesian hospitals are in desperate need of the specialist medical assistance that Australian hospitals can provide. I was not in any way implying that the Australian government was deliberately saying that those Indonesians matter least. I wanted to get information on the reasons that Indonesians had not been able to access that extra assistance to date.

The government’s offer to provide that assistance to those in special medical need should be applauded, and it is applauded by the Democrats. But, if there are delays, we urge that they be dealt with speedily. As everybody knows—it has been noted frequently in the media in the last couple of days—the quicker that medical assistance is provided the better. In circumstances where people have severe injuries, the rapidity of response can be very crucial to recovery. So if there are some delays due to bureaucratic aspects
from the Indonesian side of things, the Democrats urge that all effort be put into trying to remove those delays.

In an article in the *Australian* today Megan Saunders reported that a long-term Bali resident had said that the initial policy for removing people was that local people could not be taken—anybody who was not Australian, or could not have been Australian, was not able to be taken. So it is important that the record be corrected about any reasons why locals were not provided with that assistance. Of course they are being provided, as is everybody at the Indonesian hospitals, with extra assistance in the form of Australian medical supplies. Again, it is worth noting and supporting that fact.

I would also like to note briefly the minister’s answer in relation to potential cooperation between Australian SAS forces and Kopassus in resuming training in antiterrorist activities. I note the minister’s statement that cooperation with Kopassus has yet to resume, despite reports to the contrary in the paper this morning. The Democrats believe that there is welcome caution from the government in relation to that. We do acknowledge that all assistance needs to be provided to maximise antiterrorist action capabilities amongst countries in the region. But we do need to be aware of the past record of those we may provide assistance to, particularly given that there seems to be ongoing evidence that, at least in terms of what may be some rogue elements in Kopassus and TNI, there are still human rights abuses, particularly in places like West Papua. (Time expired)

Question agreed to.

**PETITIONS**

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

**Immigration: Asylum Seekers**

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

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

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

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

We, therefore, the individual, undersigned Attendees at the “Daybreak in Detention” Rally at North Melbourne, Victoria, 3051, petition the Senate in support of the abovementioned Motion.

And we, as in duty bound will every pray.

by Senator McGauran (from 141 citizens).

**Education: Deregulation**

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

The Petition of the undersigned university student shows, that Australia does not have a bill of rights. However, we are signatories to many international conventions on human rights including The International Covenant on Economic Social and Cultural Rights. I know the current government would rather ignore international human rights, such as refugee rights and the right to strike.

I deplore this current government’s attitude on this issue. I note that this government is attempting to deregulate university fees and HECS. I also note that this government wishes to rationalise university courses and will attempt to thwart the ability of university staff to agitate for anything that resembles uniform working conditions.

I draw your attention to Australia’s obligations under article 13 of the ICESCR where it states—

**Article 13**

1. The States Parties to the present Covenant recognise the right of everyone to education. They agree that education shall be directed to the full development of the human personality and the sense of its dignity, and shall strengthen the respect for human rights and fundamental freedoms.

They further agree that education shall enable all persons to participate effectively in a free society, promote understanding, tolerance and friendship among all nations and all racial, ethnic or religious groups, and further the activities of the United Nations for the maintenance of peace.
2. The States Parties to the present Covenant recognise that, with a view to achieving the full realisation of this right:

(a) Primary education shall be compulsory and available free to all;

(b) Secondary education in its different forms, including technical and vocationally secondary education, shall be made generally available and accessible to all by every appropriate means, and in particular by the progressive introduction of free education;

(c) Higher education shall be made equally accessible to all, on the basis of capacity, by every appropriate means, and in particular by the progressive introduction of free education;

(d) Fundamental education shall be encouraged or intensified as far as possible for those persons who have not received or completed the whole period of their primary education;

(e) The development of a system of schools at all levels shall be actively pursued, an adequate fellowship system be established, and the material conditions of teaching staff shall be continuously improved.

3. The States Parties to the present Covenant undertake to have respect for the liberty of parents and, when applicable, legal guardians, to choose for their children schools, other than those established by the public authorities, which conform to such minimum educational standards as may be laid down or approved by the State and to ensure the religious and moral education of their children in conformity with their own convictions.

4. No part of this article shall be construed so as to interfere with the liberty of individuals and bodies to establish and direct educational institutions, subject always to the observance of the principles set forth in paragraph 1 of this article and to the requirement that the education given in such institutions shall conform to such minimum standards as may be laid down by the State.

Your Petitioner asks that because governments cannot be trusted to maintain this right—that the Senate should enact this right into law as part of an Australian Bill of Rights.

by Senator Nettle (from 48 citizens).

Petitions received.
and the decision to approve the licence, including submissions, correspondence, records and minutes of meetings scientific reports, and the risk assessment itself, including any drafts, risk assessment criteria and protocols and memos.

Senator Stott Despoja to move on the next day of sitting:
That the Senate—
(a) notes that:
(i) the 4th Australian Publishers’ Bookshow will be held at the New South Wales Writers Centre on the weekend of 19 and 20 October 2002,
(ii) this is an opportunity to celebrate and encourage local publishing in light of the increasing globalisation of the Australian publishing industry,
(iii) the recently-released 2000-01 Australian Bureau of Statistics survey of publishers found a drop of 19 per cent in the number of new books bought in Australia in this period compared with the previous year, and
(iv) the average publishing business cut staff by 15 per cent in this period and that profits fell by 41 per cent; and
(b) calls on the Government to exempt books from the goods and services tax.

Senator Stott Despoja to move on the next day of sitting:
That the Senate—
(a) notes:
(i) the planned execution of Nigerian woman, Ms Amina Lawal, who was sentenced for having a child outside marriage,
(ii) that more than 100 000 people have signed an online open letter to the President of Nigeria calling for this sentence to be overturned and for the human rights of the citizens of Nigeria to be respected, and
(iii) that the Australian Government has conveyed the deep concern of the Australian Government and people to the Nigerian Government on this issue; and
(b) calls on the Australian Government to maintain its advocacy in relation to this issue.

COMMITTEES
Selection of Bills Committee
Report
Senator FERRIS (South Australia) (3.36 p.m.)—I present the 10th 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. 10 OF 2002
1. The committee met on Tuesday, 15 October 2002.
2. The committee resolved to recommend—
That—
(a) 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>
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<tbody>
<tr>
<td>Family and Community Services Legislation Amendment (Special Benefit Activity Test) Bill 2002</td>
<td>Community Affairs</td>
<td>11 November 2002</td>
</tr>
<tr>
<td>New Business Tax System (Consolidation and Other Measures) Bill (No. 1) 2002</td>
<td>Economics</td>
<td>21 November 2002</td>
</tr>
</tbody>
</table>

(b) the order of the Senate of 28 August 2002 adopting the Committee’s 7th report of 2002 be varied to provide that the Transport Safety Investigation Bill 2002 be referred immediately to the Rural and Regional Affairs and Transport Legislation Committee for inquiry and report by 12 November 2002 (see appendix 4 for statement of reasons for referral).
(c) the following bills not be referred to committees:

- Australian Animal Health Council (Livestock Industries) Funding Amendment Bill 2002
- Australian Crime Commission Establishment Bill 2002
- Broadcasting Legislation Amendment Bill (No. 1) 2002
- Corporations Amendment (Improving Corporate Governance) Bill 2002
- Excise Laws Amendment Bill (No. 1) 2002
- Excise Tariff Amendment Bill (No. 2) 2002
- Family and Community Services Legislation Amendment (Budget Initiatives and Other Measures) Bill 2002
- Great Barrier Reef Marine Park (Boundary Extension) Amendment Bill 2002
- Insurance and Aviation Liability Legislation Amendment Bill 2002
- Murray-Darling Basin Amendment Bill 2002
- National Gallery Amendment Bill 2002
- New Business Tax System (Franking Deficit Tax) Amendment Bill 2002
- Trade Practices Amendment (Credit Card Reform) Bill 2002 [No. 2]
- Trade Practices Amendment (Public Liability Insurance) Bill 2002 [No. 2]
- Trade Practices Amendment (Small Business Protection) Bill 2002 [No. 2]
- Workplace Relations Amendment (Fair Dismissal) Bill 2002 [No. 2].

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 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
  - Occupational Health and Safety (Commonwealth Employment) Amendment (Employee Involvement and Compliance) Bill 2002

- Bill deferred from meeting of 27 August 2002

- Bills deferred from meeting of 24 September 2002
  - Inspector-General of Taxation Bill 2002
  - International Tax Agreements Amendment Bill (No. 2) 2002
  - Taxation Laws Amendment Bill (No. 6) 2002

- Bill deferred from meeting of 15 October 2002
  - Trade Practices Amendment Bill (No. 1) 2002

(Shane Rattenbury)

Chair
16 October 2002

APPENDIX 1
Proposal to refer a bill to a committee

Name of Bill:
Family and Community Services Legislation Amendment (Special Benefit Activity Test) Bill 2002

Reasons for referral/principal issues for consideration:
The Bill will expose holders of temporary protection visas (TPV) to activity testing and mutual obligation. Typically holders of TPVs have absent or poor English language skills, high levels of poverty, unstable accommodation and few resources, and the following issues need to be examined:

- the ability of people to comply with complex mutual obligation requirements;
- the impact of breaching and financial punitive measures on already disadvantaged people;
- the ability of job network providers to provide language and culturally appropriate employment services;
- the ability of TPV holders to access the review and appeals system.

Possible submission or evidence from:
- Welfare Rights Centre NSW
- ACOS (NSW)
- Wesley Mission
- Brotherhood of St Laurence
- Hanover Welfare Services
- Justice and International Mission Unit, Justice and International Mission Unit, Synod of Victoria and Tasmania, Uniting Church Centre (Vic)
Committee to which bill is to be referred:
Community Affairs Legislation Committee

Possible hearing date(s):
As soon as practicable,
(signed)
Senator Bartlett
Whip/Selection of Bills Committee member

Reasons for referral/principal issues for consideration
To explore the detail of the operations, revenue costs and compliance costs of the major measures in the bill.

Possible submissions or evidence from:
Treasury, ATO, COSBOA, ACCI, CPA, ICCA, National Institute of Accountants, BCA, Tax Institute of Australia, Corporate Taxpayers Association, Freehills, PWC, Earnst and Young, KPMG.

Committee to which bill is referred:
Economics Legislation Committee

Possible hearing date: 15 November 2002
Possible reporting date(s): 21 November 2002
(signed)
Senator Mackay
Whip/Selection of Bills Committee member

Possible submissions or evidence from:
Treasury, ATO, COSBOA, ACCI, CPA, ICCA, National Institute of Accountants, BCA, Tax Institute of Australia, Corporate Taxpayers Association, Freehills, PWC, Earnst and Young, KPMG.

Committee to which bill is referred:
Economics Legislation Committee

Possible hearing date: 15 November 2002
Possible reporting date(s): 21 November 2002
(signed)
Senator Mackay
Whip/Selection of Bills Committee member

Possible submissions or evidence from:
Treasury, ATO, COSBOA, ACCI, CPA, ICCA, National Institute of Accountants, BCA, Tax Institute of Australia, Corporate Taxpayers Association, Freehills, PWC, Earnst and Young, KPMG.

Committee to which bill is referred:
Economics Legislation Committee

Possible hearing date: 15 November 2002
Possible reporting date(s): 21 November 2002
(signed)
Senator Mackay
Whip/Selection of Bills Committee member

Appendix 3
Proposal to refer a bill to a committee
Name of bill(s):
New Business Tax System (Consolidation and Other Measures) Bill (No. 1) 2002

Possible hearing date:
Friday, 25 October 2002
Possible reporting date(s):
21 October 2002
(signed)
Senator Meg Lees
Whip/Selection of Bills Committee member

Committee to which bill is referred:
Rural and Regional Affairs and Transport Legislation Committee

Possible hearing date: Friday, 25 October 2002
Possible reporting date(s): 28 October 1 November 2002
(signed)
Senator Meg Lees

Possible submissions or evidence from:
Paul Middleton—ED, Australian Ultralight Federation
Boyd Munro—Air Safety Australia
Bill Hamilton—Vice President, Aircraft Owners and Pilots Association of Australia

Committee to which bill is referred:
Rural and Regional Affairs and Transport Legislation Committee

Possible hearing date: Friday, 25 October 2002
Possible reporting date(s): 28 October 1 November 2002
(signed)
Senator Meg Lees

COMMITTEES
Superannuation Committee
Extension of Time
Senator FERRIS (South Australia) (3.36 p.m.)—by leave—At the request of the Chair of the Select Committee on Superannuation, Senator Watson, I move:
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 12 November 2002.

Question agreed to.

NOTICES

Postponement

Items of business were postponed as follows:

Business of the Senate notice of motion No. 1 standing in the name of Senator O’Brien for today, relating to the disallowance of the Civil Aviation Amendment Regulations 2002 (No. 2), postponed till 22 October 2002.

Government business notice of motion No. 2 standing in the name of the Parliamentary Secretary to the Treasurer (Senator Ian Campbell) for today, relating to the consideration of legislation, postponed till 24 October 2002.

General business notice of motion No. 205 standing in the name of Senator Allison for today, relating to macular degeneration and World Retina Day, postponed till 17 October 2002.

COMMITTEES

Community Affairs References Committee

Report of Ombudsman

Senator Hutchins (New South Wales) (3.37 p.m.)—I move:

That—

(a) the Community Affairs References Committee request the Commonwealth Ombudsman to report to the committee annually, at least for the next 5 years, on the operation of the social security breaches and penalties system; and

(b) the committee publish the Ombudsman’s report and, if it considers it necessary, seek submissions from interested parties before formulating any proposals it may wish to make for improving the operation of the system.

Question agreed to.

INDIGENOUS AFFAIRS: SANDON POINT

Senator Brown (Tasmania) (3.37 p.m.)—as amended, by leave—I, and also on behalf of Senator Ridgeway, move the motion as amended:

That the Senate—

(a) notes:

(i) recent evidence tendered by Professor Hiscock, of the Australian National University, which suggests that Aboriginal sites at Sandon Point may be amongst the most significant Aboriginal sites on the eastern seaboard,

(ii) that these sites have already been severely damaged by the commencement of work on a housing project designed and marketed by Stockland Trust Group, and

(iii) the Wadi Wadi Coomaditchie Aboriginal Corporation, and its many supporters, through elder Alan Carriage, has requested that an emergency declaration be made, under section 9 of the Aboriginal and Torres Strait Islander Heritage (Interim Protection) Act 1984, to allow proper investigation of the importance of sites contained at Sandon Point; and

(b) requests the Minister for the Environment and Heritage (Dr Kemp) to grant this emergency declaration to allow a 30-day period to make a proper assessment of the important cultural and environmental heritage of this area.

Question, as amended, agreed to.

MINE BAN TREATY

Senator Ridgeway (New South Wales) (3.40 p.m.)—I move:

That the Senate—

(a) notes that:

(i) the international community has quickly embraced the Mine Ban Treaty which entered into force on 1 March 1999, with three-quarters of the world’s nations already States Parties and signatories, and therefore legally bound to destroy their stockpiles of mines, eliminate mines in the ground, and cease production and use of mines,

(ii) although there has been a marked decrease in the number of governments and rebel groups using antipersonnel mines since the treaty entered into force, nine governments have engaged in significant new
mine-laying operations in the past year,

(iii) the number of new mine casualties is estimated by Landmine Monitor to be some 15 to 20 thousand each year, taking an appalling toll on children, farmers and other innocent people, and

(iv) while on a global scale mine clearance and other mine action programs have expanded greatly over the past decade, a number of these programs are in financial crisis and will not meet the 10-year treaty deadline for completion of clearance;

(b) congratulates Sister Patricia Pak Poy of the Adelaide Sisters of Mercy on her receipt of the 2002 Australian Council for Overseas Aid Human Rights Award in recognition of her tireless and committed work over the past decade with the Australian Network of the International Campaign to Ban Landmines to rid the world of the scourge of landmines; and

(c) pays tribute to Sister Pak Poy as:

(i) the driver of the national grassroots campaign that led to Australia’s ratification of the Mine Ban Treaty and subsequent domestic anti-mine legislation, and

(ii) a role model to the many people who were inspired by her quiet determination to enhance the achievement of human rights internationally through peaceful, collective action.

Question agreed to.

**FUEL: ETHANOL**

Senator O’BRIEN (Tasmania) (3.41 p.m.)—I move:

That there be laid on the table, no later than immediately after motions to take note of answers on Monday, 21 October 2002:

(a) all documents relating to the meeting between the Minister for Agriculture, Fisheries and Forestry (Mr Truss) and the Executive Director of the Australian Institute of Petroleum on 21 August 2002, including but not limited to:

(i) papers prepared for the meeting by the Department of Agriculture, Fisheries and Forestry, the Department of the Prime Minister and Cabinet, the Department of Industry, Tourism and Resources, and/or Mr Truss’ office,

(ii) any agenda or attendance papers,

(iii) any notes made by departmental officers and/or ministerial advisers at the meeting, including but not limited to hand-written notes, and

(iv) any papers that document the outcome of the meeting, including but not limited to file notes prepared by departmental officers and/or ministerial advisers;

(b) all records of communications between:

- Mr JT Honan, Chairman of Manildra and/or other Manildra managers and staff, and
- the Prime Minister, Treasurer, Minister for Trade, Minister for Industry, Tourism and Resources, Minister for Agriculture, Fisheries and Forestry, Assistant Treasurer, and/or departmental officers and ministerial advisers,

concerning the Government’s consideration of an ethanol excise and production subsidy, including but not limited to correspondence, telephone records and file notes;

(c) all records of any meetings between:

- Mr JT Honan, Chairman of Manildra and/or other Manildra managers and staff, and
- the Prime Minister, Treasurer, Minister for Trade, Minister for Industry, Tourism and Resources, Minister for Agriculture, Fisheries and Forestry, Assistant Treasurer, and/or departmental officers and ministerial advisers,

concerning the Government’s consideration of an ethanol excise and production subsidy, including but not limited to hand-written file notes;

(d) all records of communications between:

- Mr Bob Gordon, Executive Director of the Australian Biofuels Association and/or other Australian Biofuels Association staff, and
- the Prime Minister, Treasurer, Minister for Trade, Minister for Industry, Tourism and Resources, Minister for Agriculture, Fisheries and Forestry, Assistant Treasurer, and/or departmental officers and ministerial advisers,

concerning the Government’s consideration of an ethanol excise and production subsidy, including but not limited to hand-written file notes;
and/or departmental officers and ministerial advisers, concerning the Government’s consideration of an ethanol excise and production subsidy, including but not limited to correspondence, telephone records and file notes;

(e) all records of any meetings between:

- Mr Bob Gordon, Executive Director of the Australian Biofuels Association and/or other Australian Biofuels Association staff, and
- the Prime Minister, Treasurer, Minister for Trade, Minister for Industry, Tourism and Resources, Minister for Agriculture, Fisheries and Forestry, Assistant Treasurer, and/or departmental officers and ministerial advisers, concerning the Government’s consideration of an ethanol excise and production subsidy, including but not limited to hand-written file notes; and

(f) all analysis by the Treasury, the Department of Finance, Department of the Prime Minister and Cabinet, Department of Industry, Tourism and Resources and Department of Agriculture, Fisheries and Forestry concerning the projected budgetary impact of the decision to impose excise on ethanol and grant a 12-month ethanol production subsidy.

Question agreed to.

COMMITTEES

Rural and Regional Affairs and Transport Legislation Committee

Meeting

Senator FERRIS (South Australia) (3.41 p.m.)—At the request of Senator Heffernan, I move:

That the Rural and Regional Affairs and Transport Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on Thursday, 17 October 2002, from 4 pm, to take evidence for the committee’s inquiry into the provisions of the Egg Industry Service Provision Bill 2002 and a related bill.

Question agreed to.

Employment, Workplace Relations and Education References Committee

Meeting

Senator MACKAY (Tasmania) (3.42 p.m.)—At the request of Senator George Campbell, I move:

That the Employment, Workplace Relations and Education References Committee be authorised to hold a public meeting during the sitting of the Senate on Thursday, 17 October 2002, from 11.30 am to 12.30 pm, to take evidence for the committee’s inquiry into small business employment.

Question agreed to.

Economics Legislation Committee

Meeting

Senator FERRIS (South Australia) (3.42 p.m.)—At the request of Senator Brandis, I move:

That the Economics Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on Thursday, 17 October 2002, from 4.30 pm, to take evidence for the committee’s inquiry into the provisions of the Excise Tariff Amendment Bill (No. 1) 2002 and a related bill.

Question agreed to.

EDUCATION AND TRAINING: DUSSELDORP SKILLS FORUM

Senator STOTT DESPOJA (South Australia) (3.37 p.m.)—I move:

That the Senate—

(a) notes that:

(i) the recently-released Dusseldorp Skills Forum report, entitled ‘How young people are faring—key indicators 2002: An update about the learning and work situation of young Australians’, found that there has been an increase in the number of teenagers not in ‘full time education or full time employment’ in May 2002 compared to May 2001,

(ii) the report also found that 25 per cent of young adult women and 19 per cent of young adult men were at ‘considerable labour market risk’ in May 2002,

(iii) the Finn targets for post-compulsory education and training attainment by 19 and 22-year olds, agreed to unanimously by Commonwealth and
state governments in 1991, have not been reached,
(iv) in 2001, the level of unemployment for Australians aged 15 to 24 was 2.4 times that of 25- to 54-year olds, and
(v) the report notes that long-term disadvantages flow from a troubled transition process between school and further education, training or employment; and
(b) urges the Government to develop a more effective transition system for young people between leaving school and going on to further education, training or employment, and that this transition system pay particular attention to early school leavers.

Question agreed to.

COMMITTEES
Scrutiny of Bills Committee
Report
Senator McLUCAS (Queensland) (3.43 p.m.)—I present the 12th report of 2002 of the Standing Committee for the Scrutiny of Bills. I also lay on the table Scrutiny of Bills Alert Digest No. 11 of 2002, dated 16 October 2002.

Ordered that the report be printed.

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

Leave granted.

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

The 12th report of 2002 of the Scrutiny of Bills Committee deals, as usual, with a number of bills. On behalf of the committee, however, I wish to highlight two of those bills, both of which deal with aspects of personal rights and liberties and both of which illustrate different facets of the committee’s operation. The protection of personal rights and liberties occupies easily the greatest volume of the work of the committee as well as the greatest variety of concerns. The two bills in question are instances of this volume and variety.

The first of the bills is the Australian Security Intelligence Organisation Legislation Amendment (Terrorism) Bill 2002, which, as noted in the committee’s Alert Digest No. 4 of 2002, included a number of significant issues involving personal rights and liberties in relation to warrants for detention and questioning, the rights of persons in detention and the abrogation of the privilege against self-incrimination.

The committee’s response to these issues was to ask the Attorney-General a number of specific questions about the effect of those provisions. I am pleased to report that the Attorney-General advised that the committee would receive a response to its queries before the Senate considered the bill. The committee has now received and considered the Attorney-General’s response, and it is included in the report which I have just tabled. The committee thanks the Attorney-General for this.

The committee and the Attorney-General’s reply both noted considerable government amendments to the bill in the House of Representatives. There is no doubt that these amendments, made largely to implement recommendations of Senate and joint committees, improved the quality of the bill when compared to the earlier provisions. However, the Scrutiny of Bills Committee concluded that even after amendment the provisions may continue to be seen to trespass unduly on personal rights and liberties. The question for the Senate when considering these provisions is therefore to weigh the breaches of personal rights against the policy objectives of the bill. The committee as usual makes no recommendations in relation to which way the Senate should act. In its report on the bill the committee notes that the provisions may breach its terms of reference but leaves it to the Senate to balance this against the intended purpose of the bill.

The second aspect of personal rights and liberties addressed by the report is a provision in the Transport Safety Investigation Bill 2002, which provides for the executive director of transport safety investigation to enter accident site premises or any vehicle without the occupier’s consent and without obtaining a warrant. The bill expressly authorises the executive director to do this with reasonable and necessary force. The executive director may delegate this power to any person at all, subject only to the sub-
jective opinion of the executive director that the delegate is a suitable person to exercise those powers. The provision raised concerns in the committee both because of the nature and breadth of the power and because of its subject matter. The committee questions administrative powers which are unconstrained by definitions or criteria, and the present provision may be an instance of such a power. The power also appeared broader than those it was intended to replace.

The subject matter of the delegation is also of continuing concern to the committee. The committee’s fourth report of 2000, Entry and search provisions in Commonwealth legislation, advised that the power to enter and search premises should always be regarded as exceptional and not to be granted as a matter of course. That report also sets out a number of principles on which such powers should be based. Among those were principles governing the choice of people on whom the power is to be conferred. Those principles expressly recommend that the power to enter and search should not be given to a recipient categorised simply as a ‘person’ or as a member of a particular organisation. The principles also recommend that the power should only be conferred on officials who have received appropriate training. In addition, it should not be conferred on a particular recipient simply because it is the most economically or administratively advantageous option. In the case of the present bill, it appears that these principles may not have been adopted.

The minister’s reply to the committee’s initial concerns was detailed and informative, and the committee is grateful for this. However, it still leaves the question of the absence of definitions and criteria to control and limit the exercise of the power. Accordingly, the committee intends to ask the minister to provide a briefing on these matters by departmental officials. This is a step which the committee takes when it feels that it would be more beneficial than written contact. After the briefing, the committee may report further on the bill. The committee is confident that its report will assist the Senate in its consideration of the bills.

Question agreed to.

Environment, Communications, Information Technology and the Arts Legislation Committee
Documents

Senator FERRIS (South Australia) (3.49 p.m.)—On behalf of the Chair of the Environment, Communications, Information Technology and the Arts Legislation Committee, Senator Eggleston, I present the Hansard record of proceedings and documents presented to the committee at the committee’s hearing into the performance of Australia Post in relation to the World Trade Organisation and franchising related matters.

DOCUMENTS

Responses to Senate Resolutions

The DEPUTY PRESIDENT (3.50 p.m.)—I present the following responses to resolutions of the Senate from:

(a) the ACT Chief Minister (Mr Stanhope) to a resolution of the Senate on 20 August 2002 concerning National Aboriginal and Islander Children’s Day; and

(b) the Minister for Education, Science and Training (Dr Nelson) to a resolution of the Senate on 28 August 2002 concerning the production of a government response to a report of the Employment, Workplace Relations and Education References Committee.

COMMITTEES

Employment, Workplace Relations and Education References Committee
Report: Government Response

Senator CARR (Victoria) (3.50 p.m.)—by leave—I move:

That the Senate take note of the document.

I begin by acknowledging the courtesy of the President in providing me this morning with a copy of Dr Nelson’s response to the resolution of the Senate of 28 August 2002 which dealt with the failure of the government to respond to a Senate committee report entitled Universities in crisis. This is a report which the government was given on 27 September 2001. This is a report which the government has had for 13 months. This is a report which the government has failed to respond to.
What the minister’s letter today tells us is that the government is going to continue to fail to respond to this Senate report, on the basis this time—and I must say that the government is becoming more creative—that the government’s response is currently being printed. It must be a telephone book if it requires this level of delay in responding to a committee report! I would have thought, with the number of photocopiers around this building, that the government could have organised a much more speedy method of communicating with the Senate. We now have the new excuse that the report is being printed; I suppose that that is progress and I should look at it in those terms.

We have a response to a Senate committee report which I understand, as a result of the questions I asked at Senate estimates hearings, has been on the minister’s desk since February this year. The minister says that when considering the failure of the government to respond to the Senate committee’s report, in breach of the standing orders, I should take into account the fact that there has been a federal election and a change of minister. The fact that the report has been on the minister’s desk since February suggests to me that the two points that are put in this letter from the minister to the President of the Senate are, in fact, quite spurious indeed.

It has been put to us that the government is undertaking a comprehensive review of higher education and, as a consequence, the Senate committee report presumably, in the government’s mind, is not as relevant. Of course, that is not the case at all. The government for the last 13 months has been running around saying that the university system is not in crisis. The government has been claiming that the university system is, in fact, quite sound. I remind the Senate that the Senate committee that examined the state of the universities in this country came back with the report *Universities in crisis*, which was a study based upon quite extensive investigation. It spoke to some 219 witnesses and it received 364 submissions. This was no quick and dirty inquiry; this is quite a detailed and comprehensive assessment of the problems facing the university system. In fact, it is so much so that I am of the view that the government obviously considered it to be so difficult to deal with that it has been not been able to respond to this report for 13 months.

We heard from the Australian Vice-Chancellors Committee, a number of individual vice-chancellors, various elder statesmen in the education system—such as Professor Peter Karmel, Professor Ian Lowe and Professor Kit Carson—state premiers, Commonwealth departments, the Australian Research Council and learned academies. We heard from all sorts of significant groups of scholars, staff and students in higher education. We heard from individual staff members at schools and former staff members at universities. The report highlighted the extent to which there was in fact a crisis in the higher education system in this country. Now the government is saying that the situation is entirely different—that there is no financial crisis. This is the lie that the government has run since Dr Kemp was the minister. It points to the facts that the assets sector is now at $20 billion, that liquid assets are worth $4.4 billion, that revenue is said to be $10.4 billion and that there is a low debt to equity ratio. These are the sorts of arguments we have heard throughout the terms of the last two education ministers.

There is another dimension to this. The truth of the matter is that staff-student ratios in our education system have increased from 16 to one in 1996 to 19.7 to one in 2001, and the universities’ collective financial position—their operating balance—on the latest figures is at $450 million, which is down from $555 million in 1997. I acknowledge that there was an improved result in the last year as a result of international students—in fact, a 20 per cent increase in enrolments—with the situation being assisted by the exchange rate remaining relatively stable. This is in the context of a massively unstable international situation and in the context of an enterprise bargaining agreement which is about to be commenced throughout universities.

The triennial report that was presented by the government further highlighted the fact that our university system was in deep trouble. The last triennial report indicated that 10
institutions—that is, 25 per cent of the system—had a negative operating margin in 2000; they actually had a deficit. Five institutions had run current liquidity ratios of less than 1.0, which of course is the measure of the safety margin within our university systems. If you go through the system, there was an examination of the institutions’ annual reports, and they were all published, showing that 24 out of 40 of the higher education institutions—that is, 60 per cent—had a serious deterioration in their operating result in 2000 when compared with the four-year previous average. There is a serious deterioration in the financial system across the country. The government has acknowledged that, while revenue has grown by 71 per cent, expenditure has grown by 91 per cent. The costs for the universities are outstripping their revenue at quite a dramatic level. I understand the government has tried to revise those figures down. It said there were a few errors in their Crossroads report—their official published report—and it is now saying that the revenue has grown by 71 per cent but that expenditure has grown by only 89 per cent, not 91 per cent. It does not matter. The fact is there is a serious structural problem within the finances of the higher education system in this country.

A very large number of institutions are seeking assistance from the government through forward advances on their operating grants. In the last annual report there were revelations that the University of New England had requested a $2 million dollar advance, Deakin requested a $3.5 million advance and the University of Adelaide requested a $10 million advance. What we are seeing is that over a period of time the number of universities in deficit is increasing and the number of universities seeking emergency assistance is increasing. That is all in the context of an enterprise bargaining round which, as I said, is commencing in the next few months—an enterprise bargaining round that all the inside information has said is likely to produce results somewhere around nine per cent to 12 per cent. There is one university already offering a 22 per cent increase. So the finances of the sector have been thrown out quite dramatically on the estimates that we have already seen.

We have a situation where the Senate has required the government to provide information about the forward projections of the finances in the system. We do that because we are very concerned that you cannot really have a debate about the future of higher education when you do not know the financial health of the university system as a whole. The minister has in recent times indicated that he is prepared to look at this issue. I say to the minister that I have directly contacted a number of vice-chancellors and they have agreed to provide certain documents that the government said could not be provided. A couple of vice-chancellors said they could not provide them, but not on the basis of commercial-in-confidence. Not one vice-chancellor has written to me on the question of commercial-in-confidence. The reason that some of them have said the documents cannot be provided is that the information that government provided was wrong. It underestimated the financial crisis in the higher education system. It underestimated, in particular, those institutions.

I put to the government that we are looking for a response to this report. We want to know what the government’s response is to the Senate committee report. We say that in the context of Crossroads—and the vice-chancellors are discussing this matter today—there cannot be a proper debate unless we get to the bottom of this serious question about the state of the finances of the universities in this country. We know that universities are in a difficult situation. We know that there cannot be a resolution of that difficult situation unless the government puts its money where its mouth is and addresses the structural financial problems within our university system.
will be tabled shortly, and I understand it may be tabled within a day. But we have had Senator Carr spending 15 minutes talking about a three-paragraph letter and bringing in a range of other vaguely related matters. I was at least polite enough not to take a point of order. He sought leave to take note of this letter, which is purely an explanation of where this report is. We have seen a new procedure develop. It sends a message to the government that you do not do the right thing and write a letter. Mr Nelson could have just said, ‘Here’s the report.’ That is the market signal that Senator Carr sends to the government. He is not very interested in market signals.

That takes me to the debate about universities and the report that Senator Carr refers to. He said, ‘They got the report on 27 September.’ That should ring some bells with honourable senators and others listening to the debate. We recall vaguely the events of September 2001! We were not only in the middle of the events surrounding the terrorist attacks but in the lead-up to a federal election. As Senator Carr knows—and I think he might have even referred to it in his own speech—it was a time shortly after which, as the minister said, there was a federal election. Of course, as Mr Nelson explained, there was a change of portfolios and the new minister took up his responsibilities late in that year.

What is the importance of that date in September when we are discussing a references committee report? References committees, as you know, are chaired by members of the opposition and have a majority of opposition and non-government senators on them. If you want to create a forum before an election so that you can belt the government over the head with an issue that you think is a good one, as the minister said, there was a federal election. Of course, as Mr Nelson explained, there was a change of portfolios and the new minister took up his responsibilities late in that year.

Labor do not want to see reform in the university sector. They like to see it the way it is: centrally controlled, centrally funded and controlled by a union dominated elite. That is what Senator Carr likes, because it suits the Labor Party. They like to have student unions that collect student fees compulsorily, where students have no choice. They hate the fact that in Western Australia, where you have voluntary student unionism, it is a success and that people on those campuses can choose whether they pay a fee or not. You have seen in Western Australia the new Labor government, which is effectively a very old Labor government in terms of its philosophies, now trying to impose compulsory student unionism once again. That, of course, is the Labor ethos: do not allow students to have choice; do not give them choice in terms of university funding; do not give them any choice whatsoever. And, if they go to a campus, force them to join a union and if they do not join a union, force them to pay a fee. That is their model. They do not want reform of the education system.
What is the Labor answer? Give them more money. Do not give them more money in return for an increase in productivity, an increase in outputs, an increase in the number of students they educate and an increase in the quality of the research and the quality of the development. Just pour in some more money. Of course, Labor are always good at coming up with ideas about ways to spend money. They were the big spenders in Australian political history. They were the big taxers. The biggest tax increases in Australian history have been created under Labor. The biggest deficits have been created under Labor.

Of course, this government is committed to seeing an improvement all the way through the education sector. We want to reform the sector. We want to ensure, for example, that people in regional parts of Australia get much better access to tertiary education. What do Labor want to do? They do not particularly care about the regions. The Labor government in Western Australia are cutting funding to the regions in a number of areas. They are reducing access to tertiary education for people living in the regions and remote areas. They are ensuring that people who live close to the big public universities—and close to the cappuccino bars—get a good education but that those who live far away do not. That is the Labor way: look after the elites, look after your union mates, do not worry about the outcomes and keep those old institutions in place. And what is the answer? Spend more money.

This government has proved that we are interested in increasing investment in education in Australia. We are particularly interested in seeing the tertiary education sector create far better outcomes and far better quality education—world-class education, world leading education. Labor are not interested in that; they are interested in looking after their union mates on the campuses. Labor come in here and condemn the education minister for not responding to a politically motivated report put together by a majority of non-government senators in the lead-up to an election at which Labor were once again absolutely resoundingly trounced—and for good reason—when they have no policy alternatives in any area, let alone education.

Senator Carr has spent six years coming in here and criticising the government, day in day out. Labor came up with noodle nation. That was a fantastic idea, wasn’t it? They got the poor old former science minister to come up with their education-technology sort of thing and he drew a diagram that even confused himself. It was like one of those snakes and ladders games, wasn’t it? That is the best they can do. Their big attempt at the knowledge nation, the noodle nation thing, actually lost them votes at the election. That is what scared them off about policy in this new term of government. They spent a few months coming out with a couple of policies and they went backwards in the electorate. So you would be lucky to get any policy out of them now.

I say to the Australian Labor Party: start doing your homework, start doing some hard work and come up with some alternatives. Do not just spend more money. Let us not just go back to this old idea of cranking up deficits and spending more money. Let us ensure that you come up with something that is well thought through. It is a very hard concept for them to grasp.

Senator Carr—This report was well thought through.

Senator IAN CAMPBELL—This so-called report was a politically motivated electoral stunt, and Senator Carr expects the new minister to drop everything and respond to his report.

Senator Carr—You haven’t read it!

The ACTING DEPUTY PRESIDENT (Senator Knowles)—Order! Senator Carr!

Senator IAN CAMPBELL—That is what he expects us to do.

Senator Carr interjecting—

Senator IAN CAMPBELL—Wait until you see the report.

Senator CROSSIN (Northern Territory) (4.10 p.m.)—I also rise to take note of this response from the Minister for Education, Science and Training. Senator Ian Campbell, I suggest that if anyone in this chamber needs to do a bit of homework I am afraid it
may well be you, in relation to your extreme lack of knowledge about higher education. I am sure your comments will well see you remain in the role of parliamentary secretary. Heaven forbid on the day you become the minister for education: you will be on a very steep learning curve in relation to what you do not know about higher education—

The ACTING DEPUTY PRESIDENT—Senator Crossin, I ask you to address your comments to the chair, not directly to a senator across the chamber.

Senator CROSSIN—Thank you, Madam Acting Deputy President. Senator Ian Campbell will be aware that his extreme lack of knowledge of higher education proves that that sector is in crisis. This was not a politically motivated report.

Senator Ian Campbell—Madam Acting Deputy President, I raise a point of order. I ask you to request that the senator be relevant to the document we are debating. It is a document that addresses one issue—that is, the timeliness of a response from the minister to a report by a references committee.

The ACTING DEPUTY PRESIDENT—Senator Crossin, I would ask you to address your remarks to the question before the chair.

Senator CROSSIN—My remarks are in fact very relevant, because we are talking about this minister’s response, or lack thereof, to a report that the Employment, Workplace Relations and Education References Committee undertook in relation to the higher education sector. It is not a politically motivated report, nor was it an exercise designed to do anything other than highlight to this government exactly what state that sector is in. A number of members of the committee spent many days and many months travelling around this country. In fact, the committee took submissions from a whole range of individuals—students and vice-chancellors in particular.

Senator Ian Campbell—Madam Acting Deputy President, I raise a point of order. We are not debating the report. The report will be tabled tomorrow and there will be an opportunity to debate that report tomorrow. Today we are debating a letter which contains four paragraphs about the timing of the tabling of that report. Once again, I ask you to ask the honourable senator opposite to address her remarks to the motion before the chair.

Senator Carr—Further to the point of order, we are dealing with the motion that I moved to take note of the minister’s letter.

Senator Ian Campbell—Quite right.

Senator Carr—I must put this to you: the letter concerned the government’s failure to respond to the Senate report *Universities in crisis*. It pointed out the government’s claim that they had not responded because it was at the printers. Thirdly, it pointed out that the government felt that they had some excuse because of the change of minister. The letter further pointed out that the government were undertaking a comprehensive review. The government have introduced a whole series of matters which are consistent with the motion and consistent with the speech that Senator Crossin is giving. The government are simply trying to run interference to prevent the senator from presenting her views.

The ACTING DEPUTY PRESIDENT—Senator Crossin, I would ask you to make your comments relevant to the taking note of the response by Dr Nelson.

Senator CROSSIN—It is quite okay for Senator Ian Campbell on the other side of the chamber to rave on and on about what this government has done for higher education, to make some spurious comments about vice-chancellors being mates with the unions. If you knew anything about the higher education sector, that would be as far from the truth as you can get. But it is not okay, according to you, for people in the opposition to talk about the matter at heart, which is the inquiry into higher education and the lack of response from the minister.

Senator Ian Campbell—Madam Acting Deputy President, I rise on a point of order. I think the senator is now debating your ruling. If she would like to debate your ruling or differ from your ruling, I ask that she move dissent from that ruling and not debate it. She should be asked to debate the letter that we are taking note of, not your ruling.
The ACTING DEPUTY PRESIDENT—Senator Crossin, I ask you to please address your comments to the motion before the chamber on Dr Nelson’s response.

Senator CROSSIN—I will continue to talk about higher education and it being in crisis in this country because that is exactly what the report is about. That is exactly what the minister’s response is about.

The ACTING DEPUTY PRESIDENT—We are not debating the report; we are debating Dr Nelson’s response.

Senator CROSSIN—that is right: his response to the fact that he has not responded to the report that we conducted. Senator Ian Campbell himself raised the issue that the minister is conducting a review of higher education this year. To tell you the truth, that review is really a death by a thousand cuts in that sector. For all the chaos that Senator Vanstone created when she was minister in this area, at least she simply ripped the guts out of the higher education sector in one fell swoop and took operational funding away. This minister, by slowly leaking seven discussion papers onto a website, is attempting to conduct his own review of education.

Senator Ian Campbell—Madam Acting Deputy President, I rise on a point of order. Senator Crossin again seems to be straying from your ruling and from the standing orders. She is now talking about a policy review being undertaken by the minister. If those opposite want to have a discussion about education policy and the policy review, I suggest that they raise a matter of public importance or an urgency motion, which I am sure Senator Carr could word up for the senator opposite. But you cannot start canvassing the detail of the policy review on higher education policy when you have just moved a motion to take note of a letter explaining when a report is to be tabled. It is absurd; it is outside the standing orders. I ask you once again to bring this recalcitrant senator back to order.

The ACTING DEPUTY PRESIDENT—Senator Campbell, I do recognise the difficulty with which this debate is taking place, but I also understand that Dr Nelson has mentioned in his letter the question of review. Once again, I ask all honourable senators to address their remarks to the question before the chair.

Senator CROSSIN—On behalf of Senator Ian Campbell, perhaps I should apologise for wasting the Senate’s time in this way when the letter clearly refers to a review that the minister is currently undertaking. You yourself, Senator Campbell, in your reply to Senator Carr, stood there and talked about the current review.

Senator Ian Campbell—I raise a point of order, Madam Acting Deputy President: the senator must be required to address the chair and not to address remarks across the chamber to me. It is a basic standing order which all senators, even if they have only been here for five minutes, should understand. Her remarks must be addressed to you and not to me.

The ACTING DEPUTY PRESIDENT—I ask you again, Senator Crossin, to make that distinction.

Senator CROSSIN—Thank you, Madam Acting Deputy President. Perhaps I might ask you to remind the senator opposite that I do not need a closed fist thumping a desk to have a point of order taken on me, but that probably emulates that senator’s style wholeheartedly.

This letter actually says that one of the reasons we do not have a response at this stage is that, according to this minister, he has been ‘undertaking a comprehensive review of the higher education sector.’ Let me make some comments about that review according to this letter, which is the reason that we are taking note today. We know that the government does not like us bringing this up—and we know particularly, Senator Ian Campbell, your lack of knowledge in this area and the fact that you are feeling extremely sensitive this afternoon about the fact that we are raising it—because this sector is in fact in crisis. The President of the Australian Vice-Chancellors Committee admitted to the Senate Employment, Workplace Relations and Education References Committee, on the transcript last year, that that in fact was the case.
The review that is being undertaken by this minister consists of seven discussion papers, put up on a web site, to which people are given an opportunity to respond. Heaven help you if you do not have access to the web site and therefore you have no access to such discussion papers. There has been no attempt to hold community based forums in rural or regional areas, so I am not entirely sure what the word ‘comprehensive’ in this letter actually means, but the review is certainly far from comprehensive. It is a death by a thousand cuts—or, at least, seven large cuts if you look at the discussion papers that have been put on that web site. That is not an excuse for not responding to the many hours that were spent by the references committee of the Senate undertaking a report on and a review of the university sector in this country. That review and that inquiry clearly showed that there are many problems in this country that this government needs to attend to, at least to recognise and to address. This may well be happening in the review, but that is not an excuse for this minister not to at least have the courtesy to respond to—

Senator Carr—Since February.

Senator CROSSIN—Exactly; since February. He should at least have the courtesy of responding not only to the hard work that witnesses put in when they presented evidence before this inquiry but also to the work that the committee secretariat put in in ensuring this committee gets around this country, as well as what Hansard and the like put in and the work that goes into actually writing these reports and taking evidence. This minister has had this report since February. There is no excuse, really, for the fact that this Senate does not have his response to look at.

I want to say some things in response to some of the claims that Senator Ian Campbell made—and if it was all right for Senator Campbell to raise them, even though they were not related to this letter, then it is all right for us in the opposition to respond to them. Senator Campbell made some reference to what he believes may well be Labor Party policy in relation to us wanting to prop up vice-chancellors’ salaries and in relation to some claim about vice-chancellors being mates with the people who work in the trade union movement in that area. Having actually worked in that area for the eight years before I came into this Senate, I know there is no such thing as a ‘club’ or ‘relationship’ between vice-chancellors and the unions. In fact, it was the government that you belong to, Senator Campbell, that required that any further increases in the last three years in the higher education sector would only be agreed to by this government in terms of increasing their operational funding if nine out of 15 items were put into the enterprise agreements in universities.

If there is anyone in this chamber who has a close relationship with the vice-chancellors and has tied the hands of universities, which may want to become extremely flexible and productive yet have not been able to because they have been forced to take nine sections out of 15 in your enterprise bargaining list, it is this government. It is genuine bargaining when you do not have genuine bargaining, according to this government. If there is any sector in this country that has been forced, and had its hands tied, regarding what it can and cannot do when it comes to wage increases, it has been the higher education sector through this federal government’s policies. It is not acceptable.

The reason people in this chamber are debating this is that this report took months and months to compile. Universities and vice-chancellors all around this country gave evidence to us. We visited many universities. At the end of the day, even according to the Australian Vice-Chancellors Committee, this is a sector in crisis. And yet, months later, we still do not have a response to that report from this minister, and that is not acceptable.

Question agreed to.

COMMITTEES
Rural and Regional Affairs and Transport Legislation Committee

Membership

The ACTING DEPUTY PRESIDENT (Senator Knowles)—The President has received a letter from an independent senator seeking a variation to the membership of a committee.
Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (4.24 p.m.)—by leave—I move:

That Senator Lees be appointed a participating member of the Rural and Regional Affairs and Transport Legislation Committee for matters relating to air safety.

Question agreed to.

WORKPLACE RELATIONS AMENDMENT (REGISTRATION AND ACCOUNTABILITY OF ORGANISATIONS) BILL 2002

WORKPLACE RELATIONS LEGISLATION AMENDMENT (REGISTRATION AND ACCOUNTABILITY OF ORGANISATIONS) (CONSEQUENTIAL PROVISIONS) BILL 2002

Second Reading

Debate resumed.

Senator BUCKLAND (South Australia) (4.25 p.m.)—The purpose of the Workplace Relations Amendment (Registration and Accountability of Organisations) Bill 2002 and the Workplace Relations Legislation Amendment (Registration and Accountability of Organisations) (Consequential Provisions) Bill 2002 is to amend the provisions of the Workplace Relations Act governing registered organisations such as unions and employer organisations. The first bill was previously introduced as the Workplace Relations (Registered Organisations) Bill 2001. The government declared that the bill embodied two policy objectives: firstly, to re-enact in a separate piece of legislation those provisions of the Workplace Relations Act which concerned the registration and internal administration of registered organisations, again such as unions and employer associations; and, secondly, through technical amendments, to modernise these provisions, particularly in relation to financial accountability, disclosure and democratic control. I certainly cannot speak for the employer associations as to whether they have democratic control, financial accountability and full disclosure because I have not worked in that sector but certainly in relation to the unions it would be very difficult to question the accountability, disclosure and democratic control of the union movement.

Following representations from the opposition, the Minister for Employment and Workplace Relations amended the bill to take into account the concerns the opposition had. Labor wanted to be sure that before the AIRC registers an enterprise association it considers whether the association will receive any funding or services from the enterprise and whether that enables the enterprise to exert control or improper influence over the association. This is a particularly important concession on the part of the minister because without it you would have a situation whereby management would not only be directing in a manner in which work was performed but also directing and influencing the thinking and the actions of the enterprise association. That could be seen as acting only to the detriment of the employees. Certainly my experience over many years has shown that when management has influence over the thinking of employees in matters affecting industrial relations there is a build up of resentment in the work force which inevitably translates into serious industrial disputation, and that disputation can manifest itself in many different ways, not necessarily in the withdrawal of labour. But certainly morale goes down and you have problems with workplace safety and a higher incidence of claims for workers’ compensation. That is experience I have gained myself and know to be the case in many other places, and it is the knowledge of many of my former colleagues.

The minister withdrew his amendment dealing with exclusive representation in relation to breaches of union rules. There is now an appropriate qualification on the court’s powers with respect to that. It is appropriate to mention that unions are now far more professional in the manner in which they conduct their business than the government and much of society gives them credit for. If one looks at the manner in which unions conduct their business, particularly within the society we live in today, one will see a great deal of professionalism. Gone are the days when the union official was in a blue singlet and shorts screaming and yelling
his demands upon on others. Those days are part of our history, and certainly unions do not conduct their business in that fashion, and have not done so for some years. But that is the way that they are quite often portrayed, and that is wrong.

With respect to employer associations, the people in these associations have a fairly broad background in the industries that they tend to represent in those organisations. But the bulk of union officials certainly come from the workplace. I did that myself. I came from the workplace, and I believe that I had a thorough understanding of the industry and associated industries in which I was involved. That is good, because that is direct representation of the work force. A certain amount of professionalism comes with that, through the experience of negotiations at the workplace and later on, on behalf of a broader group of workers. There is professionalism in the sense that there is knowledge of the industries. There is also a great deal of professionalism in the way the unions conduct their business with regard to those they employ—people such as occupational health and safety officers. These people are professionals in their field. They generally tend to have a university background that has dealt with that particular discipline, and they have financial control of professional accountants and managers. Again, it takes away this perception that unions are unprofessional in their role in society. It really goes to the question of: ‘Why change the act?’ But the act has been changed. Those changes are supported, but they do not do a great deal to advance industrial relations. In my view, the act could have been left alone.

Look at the professional way in which unions and, indeed, the majority of employer associations that I have had dealings with take on industrial officers who have studied industrial relations and have taken it as their career path. You have people who deal specifically with workers compensation and you have specialists employed to deal with superannuation—which we all know is one of the major issues confronting our nation at the moment—to ensure that our dealings with superannuation and our management and control of superannuation are done right. You have professionals working there. You have professionals working in that extremely important area of occupational health and safety. That is an area in which the professionalism of the unions has brought about the changes that were necessary in industry and, again, it shows the professionalism of unions and the professional approaches that they take to this. The unions brought about the changes that changed the patterns of work and the structure of the workplace so that workers could go to work knowing full well that they would go home, or have a reasonable chance of going home, that evening in as good shape as they went to work that morning. The reduction of injury and death in the workplace is a testament to the effect that that has had.

Let us look at one aspect of it, where there needs to be control of unions and accountability of unions before their members. As a branch secretary, I have always questioned why people would ever think that we had to be questioned on that issue of accountability. The structure of unions means that there are committees of management at the branch level—committees of your peers from the workplaces which you cover. If you are not transparent with your spending patterns and the issues you pursued and the costs associated with those issues, you are very quickly brought to account by your committee of management. It strikes me that unions, through their built-in accountability structure, could give very clear lessons to some of our corporate people in industry today on being accountable not only to their boards and shareholders, but to society as a whole. There is far more transparency in the management of unions than there has been in industry in general. We would be better off spending our time addressing those issues of corporate accountability.

I had no intention of speaking at length on this. However, this is an opportunity to bring to the attention of the Senate the professional way in which unions conduct their business. It is not reasonable for people to keep this perception that unions are a bunch of yobbos getting together and screaming and yelling at fences. That is not the way that the unions in general conduct their business. That is a re-
result of unprofessional management that forces issues to go to industrial action involving work stoppages.

Senator NETTLE (New South Wales) (4.37 p.m.)—I rise to speak on the Workplace Relations Amendment (Registration and Accountability of Organisations) Bill 2002, which substantially mirrors proposed legislation the government introduced to parliament last year before the federal election. The government states that most of the provisions are technical, but the bill needs to be seen in the context of the coalition government’s agenda to marginalise trade unions in the economic and social life of our country. In his second reading speech to this bill, the Minister for Employment and Workplace Relations stated that unions should:

... become more competitive, open and accountable in their internal activities.

He also stated that the bill will:

... enable registered organisations to be relevant, modern, service-oriented bodies, in touch with their members and in touch with modern principles of governance.

I believe that these remarks demonstrate a misunderstanding of the nature of unions. Unions are cooperative bodies and their members cooperate with each other and with other unions to advance their interests. In doing so, they benefit millions of Australian workers and they are a vital part of Australian life and make a valuable contribution to our civil society. The minister’s remarks also imply that the current operations of Australian unions are not open and accountable and that unions somehow lack the ability to be relevant, modern and responsive to their members. The Australian Greens disagree.

Just this year we have seen unions responding to serious workplace issues such as excessive hours of work at a time when many Australians have no paid work, the need for paid leave for new parents and the improvement of redundancy provisions for their members. The ACTU and the Queensland Council of Unions are seeking better redundancy provisions for workers retrenched from their jobs and the lifting of exemptions from small business employers and companies employing people as long-term casuals. The coalition government yesterday argued, in a case before the Queensland Industrial Relations Commission, that employees can rely on the public income support system in the event that they are made redundant. This is the same social security system—under which great hardship is imposed on people whose benefits are suspended under the system—that the Ombudsman criticised this month for the way it imposes penalties. We have seen more criticism today with a report coming out from the National Welfare Rights Network.

With the wave of corporate collapses we have seen in the past few years that have left workers out of jobs and often out of pocket while company directors plan excessive exit arrangements for themselves, unions have a right to be nervous. Indeed, parliamentarians have, as recently as this morning, passed legislation to ensure their own lucrative exit strategies in the form of the Members of Parliament (Life Gold Pass) Bill 2002. We have also seen an increasing trend towards older workers facing discrimination when seeking new jobs after retrenchment. The Queensland Council of Unions advises that it is a particular problem for people aged 45 years and over, most of whom are out of work for more than six months after a retrenchment.

Contrary to the government’s assertions and irrelevant comparisons with the experience of the Hawke-Keating Labor government, the unemployment rate in Australia remains high, stuck at 6.2 per cent. Around 131,000 unemployed people have been out of paid work for a year or longer and another 105,000 people have been out of work for between six to 12 months. Added to this, a recent Australian Bureau of Statistics report revealed that almost one in four part-time workers want to work more hours. Then, of course, there are those discouraged job seekers who do not appear in these particular statistics.

At the same time, this government has introduced a regressive goods and services tax, which hurts low- and middle-income earners, and has cut back on the provision of public services such as education and health. In this climate, unions are right to seek better redundancy provisions for working people.
Indeed, the Commonwealth government’s submission to the union termination, change and redundancy case undermines its own arguments. Mr Abbott argued:

Retrenchments are a regrettable but necessary feature of a market economy. Retrenchments allow businesses and the economy to adjust and adapt during the business cycle. When new technologies and other innovations are introduced and when new efficiencies are realised, retrenchments may be necessary to re-organise and streamline more efficient businesses.

If the government is happy to leave the market to sort out these cyclical adjustments then, following on from the government’s own reasoning, it should be happy to leave the market to sort out the redundancy arrangements. That means letting unions get on with the business of representing their members with regard to redundancy cases. Ideally, the social security system would provide for people’s needs in times of unemployment, but Australia has a long way to go before it adequately addresses the needs of those workers who are not able to negotiate the high wages that act as a buffer against lean times and those for whom precarious seasonal, casual and short-term work is the only option.

The Australian Greens fully support the concept of trade unions operating according to democratic principles. We reject the government’s premise behind this piece of legislation that unions are largely unaccountable and undemocratic. We also oppose the government’s attempt to undermine the legitimate role of independent trade unions by encouraging enterprise associations. Enterprise associations accord with the government’s view that industrial relations should be devolved down to the workplace level, or even the individual level through AWAs. Some on the other side of this chamber would put forward the argument that enterprise associations play a role in redressing a power imbalance between employers and unions where trade unions have too much power. Far from this, the evidence shows, and the Greens would put forward, that the balance of power in employer-employee relationships is weighted in favour of the employer. This is why working people belong to trade unions—it is a means for them to counter their position of relative disadvantage.

Independent trade unions provide a degree of protection. Their strength is drawn in large part from encompassing more than one workplace and from being able to employ full-time professional officials and organisers. Even then they face numerous obstacles, particularly under this government. Witness the impact of enterprise bargaining in the Commonwealth Public Service, where certified agreements are negotiated by individual departments and agencies. Even though the Community and Public Sector Union has substantial coverage of employees, the focus on enterprise based bargaining has generated large discrepancies in wage levels and working conditions. Enterprise associations, on the other hand, are based on a single workplace or company. In the case of small workplaces, enterprise associations are likely to have meagre financial resources. This naturally limits their bargaining power and makes them vulnerable to employer influence.

Enterprise associations can also find it difficult to stand up for employers when this is essential. While it is clear that employees and employers of any enterprise have a common interest in the successful operation of the business, there are times when their interests will conflict, and this is when employees truly need a strong and independent trade union to represent them. It may be true that there have been enterprise associations in the past that have worked in the genuine interests of their members. But we also know that unscrupulous employers can use enterprise associations to undermine genuine trade unionism and employees’ rights to freedom of association.

One of the most notable cases of recent times is Suncorp Metway which, over a number of years, has tried to use the enterprise union registration provisions as a means of keeping out independent trade unions. The Australian Industrial Relations Commission found in 1991 that senior management had driven the establishment of the Metway Group Staff Association, formed in 1988, with the sole objective of avoiding outside bodies and avoiding federal jurisdic-
tion which would have required the company to operate under a federal award. The company had undertaken to fully fund the staff association, paying for administrative services, wages, travel and legal expenses. The association changed its name to Metway Group Industrial Organisation of Employees and again, in late 1996, to Suncorp Metway Queensland Industry Development Corporation Staff Association following the merger between Metway Bank, Suncorp and QIDC. The staff association sought registration with the federal commission. The name was changed again, while the registration application was on foot, to SMQ Enterprise Union.

The commission rejected the application in 1999. The commission found that the SMQ Enterprise Union failed to meet the registration requirements that it was free from control by or improper influence from Suncorp Metway. It did so on the basis that the members of the management committee held shares in the company. The company then went on to register their union as an incorporated association, the Suncorp Metway Employee Council, again funded by the company. Suncorp Metway then set about developing a certified agreement through a team of management and staff representatives—the latter hand-picked by management and with no negotiating experience—and then sought feedback from the employee council. In the meantime, Suncorp Metway bought GIO from AMP in September 2001.

In May this year, Suncorp Metway sought to have their agreement certified before the commission. The company wanted their non-union agreement to cover GIO employees even though they had not been consulted about the provisions or asked to vote on the agreement. The Finance Sector Union appeared in the case on behalf of Suncorp Metway and GIO employees to raise concerns about the non-union agreement. Suncorp Metway told the commission that the agreement had met the registration requirements and that the majority of Suncorp employees had voted for it. But in July this year, the majority of GIO employees decided they wanted a union negotiated agreement. The commission found that the agreement met the requirements under the Workplace Relations Act for registration as a non-union agreement. This enabled the company to undermine the wages and conditions of former GIO employees through a provision that allowed the company to pick off workers one by one.

I hope that the Suncorp Metway case is exceptional and that this kind of conduct is not widespread in Australia. But this case certainly illustrates the dangers with enterprise associations. If the Workplace Relations Act is to permit the registration of enterprise associations—and the Australian Greens would argue that it simply should not—then we need to have safeguards in place against the kind of behaviour that Suncorp Metway management has engaged in.

The bills provide a provision that having an interest in the enterprise in question of itself is not an obstacle to the commission deciding that the association is free from control by or improper influence from the person or body. In the light of this provision, it is important to ensure that the other tests relating to the direct involvement of enterprises in enterprise unions are as strong as possible to protect the independence of any trade union.

I note that the bill was amended in the other place to insert a provision that appears to go some way towards addressing our concerns. It directs the commission to have regard to an employer’s financial contribution towards the costs and expenses of an enterprise association when considering whether the association is free from control by or improper influence from the employer. This provision relies on the commission exercising discretion and the Australian Greens recognise there is a role for these discretionary powers. However, in the current political climate, with the coalition government clearly intent on pursuing an anti-union agenda, the Greens want to be certain that this legislation is strong enough to enable the commission to deal with cases like Suncorp Metway so that the commission can support the independence of trade unions. So I will be asking a range of questions in the committee stage of this bill to determine whether,
indeed, this is the case as a result of the amendments made in the other place.

Senator COOK (Western Australia) (4.51 p.m.)—I rise to speak on the Workplace Relations Amendment (Registration and Accountability of Organisations) Bill 2002. I want to emphasise the title ‘registration and accountability of organisations’—that is, industrial organisations registered under the Workplace Relations Act and the obligations on them as registered bodies. That act governs a lot of their rules and all unions in Australia are thus registered and some employer organisations are as well. We are talking about governance in this sector of industrial relations.

Typically, Minister Abbott in announcing this legislation did so as part of his normal anti-union fanfare—and he got the headlines that he wanted at the time—and it is part of what is a relentless campaign by him to demonise unions. But now this bill will, I believe, pass without opposition because the government has accepted opposition changes in the other place. Those changes have not attracted the same fanfare, headlines and colourful language that the minister used in introducing the bill and so there has been little media interest about what has been done to put a human face on otherwise very bad legislation. But that is a typical tactic that we have become used to from this government in industrial relations and we will see more of it, no doubt, as the Victorian election and elections in other states draw near and as our own next federal election becomes imminent.

Senator Sherry, on behalf of the opposition, gave a definitive speech about the Labor Party’s concerns about this bill and why we support passages of it. I adopt and endorse his remarks but I want to turn now to one of the other elements of industrial relations accountability that the government’s chief anti-union warrior, the Minister for Employment and Workplace Relations, Mr Abbott, has been central in promoting and would regard as an accountability measure. I use the word ‘accountability’ in this context with considerable irony.

It seems to be clear from the Cole royal commission that it is open for the commission to form a recommendation that a union or unions or part of a union be deregistered. If that recommendation were to be made and the government were to move to adopt it, then the accountability measures we are talking about this afternoon would come into play as a test as to whether or not such a recommendation would be justified. I believe that, in the context of this bill, that requires us to look at what in fact is happening with the Cole royal commission, the nature of its inquiry and the manner in which it is conducting itself in pursuing its goals.

The Royal Commission into the Building and Construction Industry is costing Australian taxpayers $60 million. That is to be compared to the $29.9 million that the government is spending on the royal commission into the HIH scandal. We know HIH was the biggest corporate collapse in Australia. Five billion dollars is at stake in that company rort and the inquiry into it is valued at $29.9 million by the government, yet mum and dad investors have been badly hurt by this collapse and it has sent shock waves through the corporate sector and has damaged people who are dependent on returns for their superannuation. As well, it has been central to massively increasing insurance premiums. It has had a massive economic impact on Australia. Compare that to the $60 million for the Cole royal commission and you have to ask yourself: why does the Cole royal commission deserve to be funded at twice the level of the HIH royal commission?

The first thing about this royal commission that becomes obvious is that Commissioner Cole, whose salary is $660,000, is now Australia’s highest paid public official. His salary is almost three times that of Mr Justice Neville Owen, who is presiding over the HIH royal commission. While the government was contracting Commissioner Cole for $660,000, it was arguing in the living wage case that the lowest paid workers in Australia should have their wage increases capped to be no more than $10 a week. It does suggest, on the face of those facts, that there is special attention being paid to this commission, that there is obvious hypocrisy in the treatment of particular individuals and
that Cole is indeed receiving an extravagant amount of taxpayers' money.

So what is this royal commission doing? The CFMEU has put forward in the public domain figures on the amount of time that the royal commission has spent on various elements of its terms of reference. Those figures have been in the public domain for some time. They remain uncontradicted by any spokesman for the government or for the royal commission or for anything else and thus need to be treated as authoritative figures. They show that 97 per cent of the hearing time of this royal commission has been devoted to anti-union topics, that 604 employers and only 33 workers have been called to give evidence, that three per cent of witnesses have been rank and file workers while 71 per cent of witnesses have come from employers or their representatives, and that only two per cent of hearing time has been spent on topics which do not adversely affect the CFMEU union. It certainly does sound like a witch-hunt.

As well, the royal commission does have extensive powers that go to its ability to tap telephones in Australia. The royal commission itself does not have those powers but officers from the AFP, the National Crime Authority, the Western Australian Police Service and the Victorian Police have been seconded to the commission and all those four agencies can apply for phone interception warrants under federal law. As Senator Carr found, on asking a question in a Senate estimates committee hearing on 27 May, yes, the royal commission is involved in telephone intercepts. His question was:

Has the commission received information from other agencies as a result of warrants issued under the Telecommunications (Interception) Act 1979?

The answer was:

I am advised that the answer to the honourable senator's question is as follows: yes.

That is the answer, so we do know that this royal commission is tapping telephones and is tapping them by virtue of those other agencies, but any questions about how and why and what they were doing were regarded as operational matters and they would not answer questions under that heading.

The other issue for concern here is the modus operandi of the commission: how it has been handling itself and how it has allowed allegations that have been made in the public domain to stand unchallenged as if they were true and to gain root and authority because they remain unchallenged. I think attention should be drawn to a number of particular features that I think are unjust and unfair.

Firstly, there is evidence available generally that shows that the approach taken by the commission is to allow allegations to be made amid considerable press fanfare. Sometimes those allegations are later corrected in the evidence and, when they are corrected, the corrections show that the original allegations were false. But the headlines generated by the original allegations stand, the impression created by them remains, and the correction is quietly done and attracts little or no media attention. That is a favourite device in this commission.

Secondly, there is also evidence in the public domain that a number of contractors have been approached and harassed to sign statutory declarations alleging impropriety by unions. When they have refused to sign those statements because they believed the statements to be false, this is made to appear as though the contractor concerned has backed off because of union pressure. A number of examples of where that has occurred and where contractors have voluntarily come forward and said so are available but none of these have received anything like the media publicity that the original allegation did.

Thirdly, there is another device. That is, a fiction has been developed where issues are settled by industrial relations law, particularly industrial relations law governing the right of entry or industrial relations law affecting occupational health and safety—which are rights unions have that can be properly exercised. When those rights are exercised they are somehow taken as examples of union excess or, in extreme cases, of union intimidation. In fact, the exercise of those rights is lawful and proper and settled under Australian industrial relations law that goes back many years.
A fundamental reason this type of modus operandi has grown up unchallenged is that the commission in the early stages of its inquiry decided that the union, or individuals under investigation, would not be able to have legal counsel present to examine witnesses as they come forward. As a consequence, allegations are made and are untested. The union is not allowed to examine witnesses to establish the truth of the matter and so you have hanging for months untested allegations made under privilege that cannot be argued and that attract massive publicity and headlines. They are often untrue and, if properly tested, they would be put in context where it would be seen that events claimed as extravagant were, in fact, normal or ordinary and the plain person would have accepted them as reasonable under Australian law.

A number of union officials have not been given access to the royal commission to refute allegations made against them personally. One of them who just recently did appear, the Secretary of the CFMEU in Western Australia, Kevin Reynolds, was examined for only an hour and then not about most of the allegations made about his character and his alleged business dealings. It was trivial in the extreme and it was not a real example of an opportunity to address charges made about an individual and his reputation. There is also a lack of balance in this royal commission. Should the amendments we are now proposing to the Workplace Relations Act be carried—and I believe they will—and should there be any effort to deregister a union or part of union, this is a major issue that ought to be canvassed and considered.

The building and construction industry in Australia employs over three-quarters of a million Australians. It is a major industry sector. It is a productive industry sector. It completed the massive constructions for the Sydney Olympic Games ahead of time and within budget. It has a fine reputation for quality output. But that is not to say that it is an industry sector without problems. There are significant problems which, if constructively addressed, would advance the profitability of the industry both for employees and employers and reduce costs to consumers of the industry including home buyers.

Some of those issues go to training. This is an industry that absorbs a massive number and requires a constant supply of skilled labour. That skilled labour needs to be well trained, properly trained and fully trained. This royal commission could have done a service to the industry by examining the training facilities available, how they are made user friendly, and how they should work to serve the needs of the industry and the workers employed in it. In my submission, there is some sort of crisis in training that needs attention here, and this royal commission has ignored it.

Fourthly, this is an industry in which there has been extensive evidence about tax avoidance—none of that in the royal commission, I might say. In the GST inquiry that this Senate conducted ahead of the implementation of the GST, evidence was given that over $1 billion is avoided in taxation by cash-in-hand payments and in the black economy, and nothing has occurred since that suggests that is untrue. The government initially gathered its skirts and showed a bit of nerve that it was going to wipe it out but then weakened and, for ideological reasons, backed off because the people they were going to have to make pay tax were some of the people in the subcontracting area whom they regarded as John Howard’s battlers—and you obviously do not attack them either before or after an election. If they are tax avoiders—and the evidence is very strong that up to $1 billion is being avoided here—then of course they should be made to pay tax like everyone else. If they do not, we all pay more tax because of their refusal to do so.

This is an industry sector too in which company fraud is rampant. It is an industry where fly-by-night operators and shonks are a dime a dozen, where a $2 company goes into liquidation, leaving a long queue of creditors unsatisfied and leaving workers without payment for back wages or for other entitlements. There are myriad examples of that throughout the industry. Workers and their families and businesses have been driven to the wall because of it. It is endemic
in this industry and needs to be tackled, but this royal commission is not bothering.

In the field of occupational health and safety there is a very strong story to be told. The typical building site, particularly a major construction site, is often a hazardous workplace. On average there is one death a week in the Australian construction sector. It is a major drain on productivity as a consequence. It is a cause of family stress and human trauma as people recover from serious injury and have to change their lifestyle as a consequence. Over three times as much lost time is suffered by this industry because of industrial occupational health and safety problems as is lost due to industrial disputes. Where would you think the priority of this royal commission would be? You are wrong. It is on industrial disputes, not on settling occupational health and safety matters. There have been many efforts to try to get the commission to focus on occupational health and safety matters. It has a desultory attitude towards it.

Let me go to what I think is a fifth problem and that is the pre-emption of this royal commission. We know that the Treasurer has said that he will not pre-empt the HIH royal commission and introduce tougher corporate law until that commission has run its course and settled on its recommendations. But we know that the minister for workplace reform, Mr Abbott, has decided to pre-empt the Cole royal commission’s full findings and act on a threadbare recommendation with no reasons, on time and on cue, to set up a building industry task force in Melbourne just ahead of the Victorian elections. That will duplicate work already done by other law enforcement or industrial relations agencies, without any justification based on the evidence before the royal commission and do it, one would have to conclude, on a political agenda.

Mr Acting Deputy President Hutchins, I know that you are familiar with many of these things, given your record and respected role in the field of industrial relations. One of the people I know that you would not regard necessarily as a soul mate in any political sense is Alan Jones, the well-known radio talkback host. I would like to conclude my remarks by quoting from a transcript dated 25 September 2002 in which Mr Alan Jones, on the Today show, provided an editorial. Let his own words speak so that there can be no accusation that this is a Labor rant. This view is shared widely—indeed, so widely that it encompasses even Mr Jones whom I regard as often having a right wing agenda far removed from that of the Labor Party. He said:

It tends to be fashionable in this country to have a hit at the union movement.

And I have to say I’ve been guilty of that in the past.

But when you see the farce that is Ansett and the extent to which companies just go belly-up and leave workers whistling with nothing, then perhaps some sections of the union movement aren’t tough enough.

There has been a fairly major exercise in union-bashing—

‘Union-bashing’ are his words—
going on for some months, calling itself a Royal Commission into the building industry.

Remember, this is the same building industry that delivered the 2000 Olympic Games and all its infrastructure miles ahead of time.

But the Victorian secretary of the CFMEU has been charged and faces a fine or gaol because he refused twice in July and August to give the name of shop stewards who tended CFMEU training workshops in 2001-2002.

So a union official is subject to criminal charges because he refuses to give up the names of union activists.

He simply said he wasn’t going to put the livelihood of them and their families at risk.

Well, you might remember that the national secretary of the CFMEU—

I have to say this is still Jones—
called for the Royal Commissioner Mr Justice Cole to stand down because a report was issued in August critical of the New South Wales branch of the CFMEU, allegedly without hearing evidence from the union.

And the union released at the time some unbelievable figures.

97 per cent of hearing time had been devoted to anti-union topics.

604 employers called to give evidence: only 33 workers.

3 per cent of the witnesses from the rank of the worker: 71 per cent from employers or their representatives.
And only 2 per cent of hearing time spent on topics which didn’t adversely affect the union.

Now surely in all of these things fairness has to be real as well as apparent.

But a bloke refuses to give up the names of his shop stewards and he faces criminal charges. It sounds fairly un-Australian.

I think that says it all. There are other references I could cite as well from independent commentators.

Senator GEORGE CAMPBELL (New South Wales) (5.11 p.m.)—I rise to speak on the Workplace Relations Amendment (Registration and Accountability of Organisations) Bill 2002 because I initially thought we would have been opposing it. To my surprise I understand we are now supporting it and, as a consequence, there will be amendments going through both chambers. I think it is important to note, however, that the substance of the amendments that will finally find their way through the Senate and the House of Representatives will be substantially different to the intent of the original bill initiated by the minister which fell into the category—as has all the industrial relations legislation initiated by this government—of ideological rantings against the union movement.

This government, in its six years in office, has never been serious in seeking substantive industrial relations reform. However, over that period of time it has been obsessed with pursuing an agenda which, in its eyes, has been aimed at crushing the trade union movement, rendering the trade union movement in this country irrelevant to the protection of workers in the workplace, and reducing the capacity of ordinary workers to defend and promote their interests through collective organisation on the job. That has been the essence of the approach of this government to industrial relations since it came to power in 1996.

That is demonstrated by a number of significant features that have occurred over that time. The obsession of the then minister, Mr Reith, with the waterfront and the exercise of Dubai, the balaclavas, the guard dogs and the rest of it that we witnessed over the dispute on the waterfront reflected one dimension of this government’s obsession with attacking the trade union movement. But we have also seen it manifested in other ways by the stream of legislation that has been pursued through both these chambers—legislation on unfair dismissals which became fair dismissals and a range of other forms of legislation containing rhetorical doublespeak. George Orwell would have been proud to read some of the industrial relations legislation that has been introduced into this chamber over the past three or four years. But all of it has been aimed at, in some form or other, restricting or impacting upon the capacity of the trade union movement to represent its members. This bill originally fell into that category.

As has been indicated, the most obnoxious elements of the bill have been removed through a process of negotiation, and I understand that the bill will be passed by both chambers. However, in an article which appeared in the Financial Review on 29 May, the minister indicated that, independently of this legislation, he will be pursuing his agenda in respect of some other issues. In part, we have seen this government introduce industrial relations legislation into this chamber in order to create the triggers for a double dissolution, in order to set itself up to take political advantage of what it sees as a political football—that is, dealing with industrial relations in this country.

From the title of this legislation, you would think that unions were not accountable and that constrictions of this nature were necessary in order to impose accountability on the union movement. It is important to indicate on the public record that unions have always been accountable. Unions have derived their corporate power from registration under the industrial relations act in all its forms, from when it first came into being in 1902, and they have at all stages been required to have some form of registration. As a consequence of that registration, they have also been required to meet certain conditions that have been set at given points in time over that history.

Very significant reforms were introduced when the Fraser government came to power in 1975, driven by the same ideological agendas that drive this government but perhaps not with the same venom attached to
them as we have seen attached to them by ministers in this government. In 1977 the Fraser government introduced a very substantial bill into the parliament and it was passed by the parliament. It required unions to apply very significant accounting and reporting provisions in the rules—accounting and reporting provisions which still apply to trade unions and which require unions to sign off on their accounts, to publish their accounts to their members and to be answerable for the expenditure and collection of membership moneys.

They also put into the act at that time postal balloting provisions for the election of certain officers and office holders in unions. These were very substantial requirements on the election of officers, whether they were full-time positions or part-time positions. At that time they required, for example, full postal balloting for the election of officers of councils of unions, of management bodies of unions, and they introduced very significant electoral procedures as well as the need for substantial qualifications to stand for office. They also introduced a prohibition on union officials holding office in certain circumstances. All of these were substantially onerous provisions and all of these currently apply under the present provisions of the Workplace Relations Act.

Despite all that was done in that period of time, there is one thing about which the trade union movement in this country can hold up its head—that is, with very few exceptions, the trade union movement in this country all through its history has always been honest, open and fair in its dealings with its membership and with the community. There have been very few exceptions when the union movement has been found to be engaging in practices that could be described as criminal or as having criminal intent. You could not say the same for the corporate sector in this country, of course. You would be hard-pressed to make a statement of that nature in regard to the corporate sector. There are myriad cases, in recent times and in the past, when the corporate sector has got up to all sorts of dubious activities, and many of them have finished up by doing their time. As they say, if you cannot do the time, do not do the crime. Some of them have actually done the crime and done the time because they have been caught out operating in a crooked or underhanded way.

I suppose there is one event of the seventies, going back to the Fraser era, which demonstrates that. In the mid-seventies, the Fraser government thought that there was a political advantage in setting up a royal commission into the unions. Mr Acting Deputy President Hutchins, you would remember that royal commission. It was a royal commission into the Federated Ship Painters and Dockers Union. The commission was set up, before a lot of this legislation was introduced, specifically for the purpose of demonstrating how crooked the trade union movement in this country was. The Fraser government thought that they had an easy target with the painters and dockers union. This union had had some notorious publicity over the years and it was deemed to be an easy target.

What happened out of the royal commission into the painters and dockers union? Were any members of the painters and dockers union found to be engaged in malpractice? No. Were any members of the painters and dockers union prosecuted? No. What they did find was a lot of illegal activity happening around the waterfront—but it was all to do with tax evasion schemes that were at the bottom of Sydney Harbour! That was where the illegal activity around the waterfront was taking place—not on the wharves where the work was being carried out but in the malpractice schemes that were concocted by people in the business community to avoid taxation and their taxation responsibilities.

There have been a number of royal commissions into the trade union movement over the years—in fact, I think I have been engaged in three of them, from time to time—and none of them has ever demonstrated one iota of illegal activity by the trade union movement, much to the government’s chagrin. You cannot say the same for corporate leadership in this country. You only have to read the press over the past couple of days to identify what is happening in our corporate sector in terms of corporate accountability.
Perhaps this government would be better off spending its time engaged in looking at corporate governance issues and cleaning up what is happening in the business sector in this country than wasting its time in ideological pursuits against the trade union movement. There are more rorts occurring in the corporate sector than have ever been demonstrated to have occurred or fingered in terms of the trade union movement. Union structures are democratic. Unions are accountable to their membership, both through the reporting process that is imposed upon them and by the very nature of the way in which they operate.

Senator Alston shakes his head. I doubt that he has ever been in a factory; I doubt that he has ever seen a union meeting in operation. I take it by his silence that he probably has not. He can shake his head and come in here consistently in an attempt to berate the union movement and people on this side of the chamber for having union membership. He should not waste his time, because all the people on this side of the chamber are proud of the union badges they wear. They have worn them for a very long time.

Senator Ferris—There are fewer and fewer of them. They are an endangered species.

Senator GEORGE CAMPBELL—They are proud of the union badges they wear, Senator Ferris. I have never ever regretted the day I joined the trade union movement and never ever regretted my involvement in it. I wear my union badge with pride, as all the union people on this side of the chamber do. So you waste your time and your energy by trying to berate us about our union membership, as everyone on this side of the chamber is proud of it. We have all been involved in dealing with our union members, in the consultation process that occurs and in the necessity of explaining things thoroughly to them, because unionists may not, in many respects, be highly educated, but they are not unintelligent and they know when they are being sold a pup.

Senator Ferris interjecting—

Senator GEORGE CAMPBELL—Perhaps I would be interested to hear your contribution to this debate, Senator Ferris. You seem to be very keen on participating in it. I am sure we will make room for your 20 minutes of dissertation in terms of this legislation and what you think of your government’s approach to dealing with industrial relations. The reality is that the approach of this government to industrial relations since 1996 has been all about electoral advantage. It has had nothing to do with genuine industrial relations reform.

There is the Office of the Employment Advocate—what a misnomer; another bit of Orwellian rhetoric—which spends most of its time running around and pursuing the unions in the building industry and, when it is not doing that, it spends the rest of its time setting up AWAs. You have pursued the AWA agenda. We actually had an inquiry into AWAs in the public sector. I think Senator Nettle referred to public sector employees. We looked at the operation of AWAs in the public sector and we actually had a unanimous report by a Senate references committee, including members of the other side, saying that AWAs were not a proper form of regulation of industrial relations in the public sector. It rejected the use of AWAs in the public sector. This was a committee that had on it members of the other side of the chamber. They actually took to heart the necessity of genuinely looking at the issues that were involved in public sector AWAs and joined in the unanimous recommendations of that committee. The reality is that everyone you talk to around this country knows that employers see AWAs as a means of cutting wages and working conditions. Their belief is that AWAs are for cutting wages and working conditions—being able to deal with the conditions of employment that they feel are onerous—and that they somehow or other enable them to remove them.

Those are only some examples of the sort of legislation that this government has sought to introduce. But, at the end of the day, this government—as I said in my initial remarks—has been about trying to destroy or render ineffective the trade union movement and its function on behalf of workers in this country. It has been tried before and I am
sure it will be tried again. There is one thing that you can say with some degree of certainty in respect of this government, and that is that the trade union movement will survive and it will be here long after this government has passed into history.

Senator Ferris interjecting—

Senator GEORGE CAMPBELL—It will be around, Senator Ferris, long after you have passed into history—I can guarantee you that. It will not go away. Workers know that at the end of the day the only real protection and real insurance that they have out there is the organised trade union movement, which collectively protect their interests. That is what they do and that is what they will continue to do. If you actually looked, Senator Ferris, you would see that real union numbers are growing at the moment. In real terms they are actually growing.

Senator Ferris—Dream on!

Senator Alston—In real terms! Not inflationary?

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—Senator Alston, could you please bring yourself to order, and you, Senator Ferris, as well.

Senator GEORGE CAMPBELL—I will not repeat the point that I made. They can try to deride it on the other side of the chamber. They would like to think that it is otherwise but the reality is that union numbers, in real terms, are growing. It is true that, as a percentage of the work force, union numbers have declined, but real union numbers are growing at this point in time.

I will conclude by saying that the trade union movement has been under sustained attack from this government over the past six years. It is interesting to note that the trade unions have been given no recognition for the contribution they made to the reform process during the eighties in this country. There has been no recognition of what they contributed during the eighties to the reform process within our industries, within our factories and within the Australian economy in terms of lifting the productivity of the nation. Despite the very substantial degree of reform which took place, there was no recognition. That contribution has been ignored and we continue with the ideological war. We will continue to see legislation introduced in this chamber by this government and by the current minister for industrial relations and the agenda will be to lift the ideological issues, put them onto the front page and try to fight the ideological battle. (Time expired)

Senator KIRK (South Australia) (5.31 p.m.)—As Senator Campbell said, the opposition supports the Workplace Relations Amendment (Registration and Accountability of Organisations) Bill 2002 and its consequential amendments. The Australian Labor Party, having its roots richly based in the lives and successes of working families, understands the role of trade unions. The Australian Labor Party believes that unions are effective and play an essential role in maintaining a fair workplace in which workers have their rights and entitlements protected.

Of course, we need to regulate our trade unions in the same way we regulate our corporations and our political parties. But this must be done in a way that does not deprive them of their freedom to control their own affairs. Australia already has one of the most highly regulated trade union movements in the world. That was based upon the need for the registration of organisations which protect the interests of employees. The legislation that we are dealing with here today deals with a variety of matters concerning registered organisations. It includes such things as the amalgamation and disamalgamation of unions, the independence of unions, the maintaining of accurate financial accounts and the regulation of union ballots, including sections on ballot requirements and the conduct of ballots.

As all in this chamber—and most outside of it—would know, it is not the objective of this government to promote the interests of the trade union movement. As early as 1996, it was the policy of this coalition government to:

... amend the Industrial Relations Act to ensure that the accounting, auditing and other financial obligations are as nearly as practicable the same as those of companies ...

Essentially, this is what it is seeking to achieve by the introduction of this bill. This
The organised worker seeks a place at the conference table ... where decisions are made which affect the amount of food he—
this was written in 1951, so the reference is only to ‘he’—
and his family shall consume, the education his children shall have, the clothes they may wear. At the root of unionism is the demand that the autocratic powers of management be leavened by a measure of industrial democracy. This demand can be fulfilled only if unions that sit at the bargaining table are themselves democratic.

The bill we are looking at today will not harm trade unions, because accountable and democratic trade unions are the best organisations to represent workers’ rights in Australia. Of course, it is not just through electoral democracy that our trade unions are accountable to their members. In Australia, participatory democracy not only occurs but also is demanded by legislation. This involves members of trade unions themselves being involved in the decisions that affect the union. A University of Queensland academic Tom Bramble said in an article on democracy of the union movement:

In unions which enjoy both representative and participatory forms of democracy we may safely assume that the leadership is accountable. I infer from this that they will also be politically representative. Any union leader ignoring the wishes of members in such unions could not expect long tenure.

Importantly, our courts have also played a significant role in interpreting the internal structures of the unions and in making them more democratic to their members. One area is the development of the concept of a fiduciary duty that the union’s officers owe to the organisation and the members. This concept of fiduciary duty was first recognised in the 1977 Federal Court judgment in the case of Allen v. Townsend, where the majority ruling stated:

... members of the committee of management of an organization, a branch of an organization or a sub-branch of a branch of an organization owe a fiduciary duty to members of the organization, to members within the branch and to members within the sub-branch as the case may be.

The courts have developed principles of law of general application regulating the manner in
which directors of companies are required to exercise powers conferred upon them. Subject to necessary adaptations, similar principles of law should apply to regulate the exercise of powers conferred upon members of a committee of management of an organization or of a branch of an organization or of a sub-branch of a branch of an organization.

The bill we are looking at today will ensure that the legal principle which I have just set out, as well as many others, is upheld for the benefit of appropriate management of trade unions.

Another founding principle is that members of trade unions will have the right under this legislation—if it is passed—to require that the officers of their trade union adhere to the rules and regulations of that trade union. Chapter 9, part 2, of this legislation sets out some of the duties of the financial officers of unions, which include the need to act in good faith, with due care and diligence and without using the position or information gained in their position for personal advantage. These provisions are important ones and are just one example of the strict conduct that this bill will require from people holding positions of power within the union movement.

Our Australian society is built around the founding principle of a ‘fair go’. This bill will ensure that, through the strict administrative rules that I have been referring to, our trade union members will get a fair go from their unions. If only this could be true for other sectors of our community. The trade union movement is accountable and democratic and, quite rightly, there is legislation to ensure that this continues to be so. By contrast, as Senator George Campbell stated, many corporations do not have the same accountability or democratic system within their organisation to serve their shareholders. More importantly, very rarely do we see large corporations giving small customers the care and attention that we see trade unions providing to individual employees.

Well may we say that trade unions should have the same standards as corporations, but it is worth considering whether or not this government is as tough on the large corporations as it is on the union movement. While our side of politics has a partnership with the trade unions, which represent some two million working Australians and their families, the government in contrast relies on support from the wealthy end of society including big corporations. As my colleague Mr Tanner said in the other place last month, ‘this government is selective’ about whom it is tough on.

There is no doubt that the government has taken a hard line against unions throughout its six years of office—from dogs on the waterfront to Australian workplace agreements. There is no doubt that the rights of employees have fallen dramatically under this government and this Prime Minister. Despite this, I can say that, fortunately, this bill does not appear to fall in the same category as the previous attempts that I have just referred to. This bill is concerned with proper administration and proper democratic processes. Passage of this bill will make the trade unions more, and not less, attractive to workers, because employees will see that their fees are being used wisely and that their industrial voice is heard within the organisation.

Many speakers on this side of the chamber have said that our unions are needed because, essentially, employees in Australia do not receive their full rights and entitlements. As Mr Snowdon referred to in the other place, Ian Campbell at the Royal Melbourne Institute of Technology researched Australia’s workplaces and showed:

... firstly, Australia has the second longest working hours in the developed world. Only South Koreans work longer average full-time hours and, in that country, unlike Australia, hours are decreasing. Second, Australia has the fastest growing working hours in the OECD, with average weekly hours jumping by 48 minutes between 1998 and the year 2000. Thirdly, Australia has the highest rate of unpaid overtime in the developed world, with one quarter of full-time employees not paid for overtime, averaging 2.7 hours a week.

As you can see, there is still much work for Australia’s unions to do in the workplaces of Australia. Unions are organisations that want to fight issues that are gripping our society—matters such as poverty, youth unemployment, underemployment, occupational health
and safety, workers’ entitlements and paid maternity leave. Without unions, some of the leadership on these issues would disappear. The individual case management of people’s hardships, unfair dismissals and workplace harassments would disappear entirely. Unions help Australian workers deal with their more economically advantaged employers in times of need, and they provide a large service to the Australian society in empowering individuals.

The legislation before us today is important legislation, as I have said, and it has received bipartisan agreement following agreement by the government to ALP amendments to the bill. It truly does seem an unusual day when both sides of this chamber agree on a bill whose title begins with the words ‘workplace relations’, but I am happy to report that this government legislation receives the support of the opposition and also the support of the wider Australian trade union movement. I commend the bills to the Senate.

Senator FORSHAW (New South Wales) (5.47 p.m.)—I have to say that it is a unique experience to be able to stand in the Senate and speak in a debate on a workplace relations bill and actually indicate that the opposition will be supporting the government’s legislation. I have to pinch myself constantly to check that this is the fact, but of course that is the fact. We are supporting the Workplace Relations Amendment (Registration and Accountability of Organisations) Bill 2002 and the Workplace Relations Legislation Amendment (Registration and Accountability of Organisations) (Consequential Provisions) Bill 2002, which deal with the regulation and registration of industrial organisations.

Senator Ludwig interjecting—

Senator FORSHAW—It is the first, but it is not the first of many. In fact, it is probably the first and only time that it will happen. The reason that we are able to support the legislation is that the government has seen the wisdom of the opposition’s case that has been put to it over many months, and agreed to remove from the bill the onerous provisions that it was seeking to put into it. But of course, as we understand, the government is not giving up on endeavouring to further emasculate the operation of the industrial relations system in this country and the trade union movement in particular. As I understand it, the government intends to introduce new legislation which will target trade unions and seek to introduce such provisions as penalty provisions, fines and so on—a return to the old days of the penal provisions which we all thought had long gone. So, whilst I am able to say, as my colleagues have said, that we support this legislation, it is because the government for once has seen at least some commonsense. But we know what its real agenda is and we await the next round of debate in this chamber and elsewhere when it comes back with some further bills to attack the trade union movement.

The history of this government—indeed, the history of this Prime Minister even before the coalition was elected to government in 1996—has been to set out to undermine the role of the trade union movement in this country. That is a fact. I do not even think people on the government side pretend any longer that that is not their agenda. It was the agenda of the current Prime Minister, Mr Howard, when he was the opposition spokesperson on industrial relations. He said he had two great missions in life. One was to what he called ‘reform’ the tax system. He claims he has done that, but of course that is the fact. We are supporting the Workplace Relations Amendment (Registration and Accountability of Organisations) Bill 2002 and the Workplace Relations Legislation Amendment (Registration and Accountability of Organisations) (Consequential Provisions) Bill 2002, which deal with the regulation and registration of industrial organisations.

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Senator FORSHAW—It is the first, but it is not the first of many. In fact, it is probably the first and only time that it will happen. The reason that we are able to support the legislation is that the government has seen the wisdom of the opposition’s case that has been put to it over many months, and agreed to remove from the bill the onerous provisions that it was seeking to put into it. But of course, as we understand, the government is not giving up on endeavouring to further emasculate the operation of the industrial relations system in this country and the trade union movement in particular. As I understand it, the government intends to introduce new legislation which will target trade unions and seek to introduce such provisions as penalty provisions, fines and so on—a return to the old days of the penal provisions which we all thought had long gone. So, whilst I am able to say, as my colleagues have said, that we support this legislation, it is because the government for once has seen at least some commonsense. But we know what its real agenda is and we await the next round of debate in this chamber and elsewhere when it comes back with some further bills to attack the trade union movement.

The history of this government—indeed, the history of this Prime Minister even before the coalition was elected to government in 1996—has been to set out to undermine the role of the trade union movement in this country. That is a fact. I do not even think people on the government side pretend any longer that that is not their agenda. It was the agenda of the current Prime Minister, Mr Howard, when he was the opposition spokesperson on industrial relations. He said he had two great missions in life. One was to what he called ‘reform’ the tax system. He claims he has done that, but of course we now see that, having promised that there would be no new taxes introduced, increasingly there are new taxes, new surcharges, being introduced.

The Prime Minister’s other mission for many years has been to undermine the role of the trade union movement. I often ask myself: what is the logic behind the government’s ideology on this issue? Why are they so intent today—in an era which is far different from what may have been the case after World War II and during the Cold War years—on attacking the trade union movement? I think there are two reasons. The first is that they do not like unions—they just do not like them. The second reason is that they do not like the fact that the union movement and the Australian Labor Party have a unique and enduring relationship. The Australian Labor Party is one of the few truly labour
parties in the world. It is because of the history emanating from the struggles in the union movement in the late 19th century, and it is something that continues today and that will continue to endure. It stands us apart from other political parties in this country that have come and gone—and, indeed, from other parties throughout the world.

Senator Alston, who has carriage of this bill in the chamber is, as we know, the chief spear carrier in the chamber for getting stuck into the unions. We have Mr Abbott in the other place, who muscles up to the dispatch box every chance he gets and gets stuck into the unions. Up here Senator Alston tries to imitate him. Senator Alston’s basic approach is to attack Labor senators by saying that we are all ex-union officials. The mere making of that statement, he thinks, somehow condemns us and is designed to reduce our standing in the community. Many of us are ex-trade union officials and we are proud of it, as Senator George Campbell said. The fact that many of us are ex-trade union officials is because we have been involved in representing workers both industrially and politically for many years before coming into this chamber. Not only is there nothing wrong with that, it is a great testament to democracy in this country that that has occurred.

Senator Ferris—It is the only way you got here.

Senator FORSHAW—Senator Ferris does not say too often in this chamber that she was a representative of an employer organisation. She keeps quiet the fact that she was associated for many years with the National Farmers Federation—the employer union that seeks to represent all farmers and graziers in this country. Many a time I had fruitful, cordial and constructive relationships with the NFF. I have had a few battles with them as well, and I will come back to that in a minute.

Being an ex-trade union official also brings with it a wealth of experience across a broad range of industries. Many of us, certainly all of us on this side, being involved in trade unions had prior experience in a range of industries before we took up elected office in those democratic organisations. For instance, I was employed in a range of industries before I joined the AWU and was subsequently fortunate enough to become an official. The same applies to Senator George Campbell in relation to the Metal Workers Union, and my other colleague from New South Wales, Senator Hutchins, was employed for a number of years in the transport industry. In representing workers and their families, you get to see a huge slice of life across this nation, and you meet and represent members of your organisation—not only in an industrial workplace sense but also in a broader sense. I can recall on many occasions being involved in the union assisting employees and indeed employers in difficult situations such as redundancy and in the pastoral industry during the drought.

I contrast that with the government that Senator Alston represents. He constantly gets up here and says, ‘You’re a union official; you’re an ex-union official,’ and that somehow we are beholden to the trade union movement. Let us have a look at the government. You can start with the Leader of the Government in the Senate, Minister Hill. He is a lawyer. Then you can move all along the front bench: Senator Alston is a lawyer; Senator Minchin is a lawyer; Senator V anstone is a lawyer; Senator Patterson is one of the only two odd ones out—she is not a lawyer; Senator Ellison is a lawyer; Senator Ian Macdonald is a lawyer; Senator Kemp is not a lawyer; Senator Abetz is a lawyer; Senator Coonan is a lawyer. I have nothing against lawyers per se—after all, I am a qualified lawyer myself. I do add the qualifier that I have never actually practised so I am not guilty in that regard. Eighty per cent of the front bench here come from the legal profession and most of them had a very narrow work experience before they entered this Senate. That is a contrast between the government and the opposition with regard to representation in this chamber.

Senator George Campbell and other opposition speakers have pointed out that this government has been engaged in a constant attack on the trade union movement since it came to office in 1996. We have seen legislation introduced into this parliament designed to frustrate the operations of trade unions, legislation designed to undermine
and emasculate the powers of the Industrial Relations Commission and legislation that overturned years and years of negotiations in the workplace by restricting back to 20 the number of allowable matters that awards could contain. The government had absolutely no regard in that exercise to the fact that employees and employers, unions and employer organisations, may have negotiated over many years conditions of employment. The government came in and said, ‘We’re going to legislate as a government to eliminate from the awards what you have already negotiated and what has been conciliated or arbitrated by the industrial relations umpire—the Industrial Relations Commission.’ This government has used legislation to take away people’s legal rights. That is what this government has done and it continues to try to do that whether it be in the area of unfair dismissal, bargaining rights and so on. It just goes on and on. As Senator Campbell also pointed out—and I want to refer to this as well—the government set up the Office of the Employment Advocate. What a misnomer that is. It is effectively the office of the employer advocate because the work that has been done by the Office of the Employment Advocate has all been directed in one way and that is in the interests of employers.

As we know, the government has spent hundreds of millions of dollars on a royal commission into the building industry, trying to expose practices in that industry and directing that attack at the CFMEU. The government has not been interested in pursuing all of the problems and rorts that have gone on in that industry, or in other industries, that have been perpetrated by employers. For instance, a couple of years ago I stood in this chamber and reported on the situation with the Gilbertson meatworks in Grafton. It was a situation where employees went to work one day working for one company. The next day, they went to work and found out that the company had been put into liquidation and, by some inside manoeuvrings, their employment had been effectively transferred to a shelf company. They suddenly found that the company that they were now working for had no assets and could not pay them their entitlements. Then the meatworks were closed and these workers were unable to obtain entitlements to the tune of $3 million to $4 million. That sort of activity has happened in a range of circumstances. This government had to be dragged kicking and screaming to do something about it. We have seen companies like Ansett, HIH and One.Tel go to the wall. We have seen major corporate collapses in this country, and the government is silent about that. Of course, it is in there, whipping up the fervour and getting stuck into the unions because, by getting stuck into the unions, it thinks that it is also getting stuck into the Labor Party.

This legislation deals with the registration of organisations. As previous speakers have said, contrary to what the government might portray, trade unions are subject to some of the strictest laws in this country. There is a body of law stretching back to 1904 that regulates trade unions and industrial organisations of employees and employers. I stand to be corrected, but I think that the original Conciliation and Arbitration Act, passed in 1904, was the second piece of legislation put through the federal parliament. I might be wrong on that, but I think that the original Conciliation and Arbitration Act, passed in 1904, was the second piece of legislation put through the federal parliament. I might be wrong on that, but it was certainly one of the very first pieces of legislation. If any of the lawyers on the government side care—and another one is coming into the chamber now: Senator Mason—they could go and look at the Commonwealth Law Reports. They will see case after case dealing with the industrial regulation of trade unions. It has a long history. As previous speakers have pointed out, trade unions are democratic organisations. They are governed not only by their registered rules, but by the vast array of industrial legislation that requires audited accounts and that elections be conducted, and that provides for those elections to be conducted by the Australian Electoral Commission. It also provides strict requirements for the observance of the organisation’s rules and so on. As we know, that stands in marked contrast to what happens in a range of companies across this country.

Senator Ludwig—Or in the Liberal Party!

Senator FORSHAW—Or in the Liberal Party. Thank you, Senator Ludwig. I am sure that you will take that up in your remarks. Trade unions are truly democratic organisa-
tions. This government knows that, but it tries to portray a different picture.

I will conclude by quoting a few words from a great Australian. He said:
The trades union movement has meant a great deal in our industrial history. It has represented collective bargaining. It has given strength to workers as a group which no worker as an individual could have possessed. It has been an effective weapon against the obdurate or short-sighted employer. It has had supreme value in the working of the characteristically Australian system of compulsory industrial arbitration. As a servant of the wage-earner, unionism has done an extraordinarily good job of work.

Those words were uttered by Robert Gordon Menzies in 1943. They are words that this Prime Minister, who claims that he owes so much to the legacy of Sir Robert Menzies, should read, re-read and take notice of.

Senator LUDWIG (Queensland) (6.05 p.m.)—I rise to speak on the Workplace Relations Amendment (Registration and Accountability of Organisations) Bill 2002 and the Workplace Relations Legislation Amendment (Registration and Accountability of Organisations) (Consequential Provisions) Bill 2002. A number of speakers in this important debate today have highlighted a number of issues. I wish to canvass some of those issues again, but perhaps from a different perspective instead of covering the same field. Before I do, it is fair to say that most people in this debate have spoken about their association with the union movement. I have been around the Australian Workers Union all my adult life in some form or other. It is a union I can speak about with some authority—

Senator Forshaw—It is a great union!

Senator LUDWIG—There is no doubt that it is a very great, Australian union. It has been regarded as an important union, both industrially and politically, in Queensland and throughout Australia. Having been employed by that union, I can say that the important thing about it is that it is able to say that it has one of the most democratic and accountable organisations not only in the industrial sphere, but also in the corporate world. It has been through a number of inquiries, even during my employment with it, and it has come out the other side squeaky-clean. The same cannot be said about the corporate world. Every time an inquiry is focused on the corporate world, the corporate world seems to run into extraordinary difficulty.

Earlier in his speech Senator Campbell mentioned one of those difficulties, which went to, as he called it, the bottom of the harbour. It was originally an inquiry into the painters and dockers, called the Royal Commission into the Activities of the Federated Ship Painters and Dockers Union, by Royal Commissioner Costigan. As Senator Campbell highlighted, that turned up activities of companies. I would like to refer to chapter 9 of a report done by the Australian Institute of Criminology, which I dug up on the way down to the chamber. It was headed Wayward governance: illegality and its control in the public sector.

It is worth while going back to some of this to understand that, when we talk about registered organisations and their accountability, unions stand apart from the corporate governance field. They have always been exemplary, as far as I can recollect, but it cannot be said that that has featured strongly in the corporate world. The paragraph that I want to share with the Senate reads:
The deliberate stripping of a company’s assets so that it is unable to pay its debts is a time-honoured practice. It also happens to constitute a criminal fraud. During the 1970s in Australia, variations on this practice were employed by hundreds of more affluent members of the community to avoid paying taxes. This genre of tax evasion was to contribute a new term to the Australian lexicon: Bottom of the Harbour.

What they used to do was this: at the time, a company with no debts and with an annual profit of something like $100,000 would have a tax liability of $46,000. To avoid this liability the owner of the company had only to sell the company to a promoter for the value of the profits, less an agreed upon commission—for example, 10 per cent. Instead of finishing the year with $54,000, the former owner of the company would walk away with $90,000. That is the type of tax evasion that was going on back then. An inquiry into the union movement back then
found just that: corporate mismanagement bordering on corporate fraud, I suspect. It was not minor but wholesale. Some 7,000 companies were involved, as I understand it, and some millions of dollars consequently disappeared.

This government has not learnt much from that. We have had daily reports on the HIH Royal Commission and every day in the papers we find reports of unusual practices by the corporate world bordering on, as I think we will find in the end, the unsavoury. It does not reflect positively on the corporate world at all. Today we have a response by the Treasurer which is quite thin. It is titled the Corporations Amendment (Repayment of Directors’ Bonuses) Bill 2002 and is a bill to amend the Corporations Act. It was introduced today and there was a press release put out by the Treasurer about it. The explanatory memorandum assists us in understanding what it does, but the import of this bill is to amend the Corporations Act to permit liquidators to reclaim unreasonable payments made to directors by companies prior to liquidation. It does not seem to go much further than that. That seems to be the full import of the government’s response to the corporate directors’ bonuses issue. Perhaps it is the Treasurer’s full answer to the corporate excesses issue. It does not seem to go much further than that. That seems to be the full import of the government’s response to the corporate directors’ bonuses issue. Perhaps it is the Treasurer’s full answer to the corporate excesses issue. It does not seem to go much further than that. That seems to be the full import of the government’s response to the corporate directors’ bonuses issue. Perhaps it is the Treasurer’s full answer to the corporate excesses issue. It does not seem to go much further than that. That seems to be the full import of the government’s response to the corporate directors’ bonuses issue. Perhaps it is the Treasurer’s full answer to the corporate excesses issue. It does not seem to go much further than that. That seems to be the full import of the government’s response to the corporate directors’ bonuses issue. Perhaps it is the Treasurer’s full answer to the corporate excesses issue.

I would expect more than that. In fact, I would expect the government to indicate that they would support the private member’s bill that was sponsored by Senator Conroy in this house, the Corporations Amendment (Improving Corporate Governance) Bill 2002 [No. 2]. I would expect the government to indicate that they would support bills that would assist in ensuring that there were better and improved standards of corporate governance and bills, such as the one Senator Conroy has introduced, that would also protect whistleblowers providing information about corporate malpractice in good faith to the industry regulator. I would expect support for legislation to improve the culture of honesty inside our corporations. I would also expect support to ensure that shareholders and the public have the right to know how much executives are paying themselves.

These are the issues that this government should be talking about. These are the matters that this government should be addressing rather than—and there is an example we can use—talking about the Cole royal commission in the industrial field. At the moment we already have a task force, which was announced by Mr Abbott, that is working away in Melbourne. Quite frankly, it seems that the task force is just trying to find something to talk about. It seems that all that task force was designed for was causing disputation in the Melbourne work force or thereabouts in the run-up to a possible election in Victoria. I cannot see any other reason for it. The information that Mr Abbott released, in sponsoring the task force, did not point to anything substantive that was going on. The Cole royal commission did not point to anything substantive that required a task force. But it so happened—and I am open to correction on this—it was an issue that Mr Abbott talked about one day and the royal commission announced the next day. I am happy to be corrected on that but it does seem a little strange and a little bit fortuitous for Mr Abbott that that followed his call.

We also know that there have been extraordinarily high fees paid to counsel assisting the Cole inquiry—and this was revealed in estimates. There were questions about how Mr Thatcher obtained his employment as secretary to the inquiry. There were also questions about how he managed to get a flat provided to him as part of the package. Then, of course, there were questions about the salary package for Justice Cole. Those questions did warrant scrutiny during estimates and they deserve responses from this government. I am sure they will be looked into again to ensure that there is some propriety by this government when it does call for royal commissions and that it calls for them properly, appropriately and when they are required.

We do not have an outcome that gives credit at all to this government when it starts inquiring into workplace relations issues. What it should be doing and what it could be doing is partly the reason we have been
talking about this bill today. We are talking about genuine reform, looking at how we can improve, at least procedurally, matters that deal with industrial relations. This government has not been able to come to grips with substance, but I can say that it has, in part, been able to deal with process. That is why I think matters of corporate governance should weigh heavy. This government seems to be able to fill the breach when it talks about process, but when it talks about substance it falls considerably short.

The Workplace Relations Amendment (Registration and Accountability of Organisations) Bill 2002 is one of those bills where the work done by Mr Bevis, Mr McClelland and, I suspect, by the department rather than Mr Abbott has collectively provided a way of consolidating these amendments into the Workplace Relations Act and has provided improved registration and accountability of organisations. But it took process to achieve that. This government seems to fail significantly when it moves away from process and talks about substance. All this government can do then, as it has clearly demonstrated over the years, is stick to ideology. Its ideology seems to be, 'Let's attack unions. Let's try to break down the workplace relations system. Let's try to junk it.'

When talking about some industrial relations issues—and I think I can talk about this with some knowledge—the system is a two-way street. In talking about the accountability of unions and their registration, they gave up their ability to act with any degree of freedom; it was swapped for the ability to be governed by, or be at least accountable under, the Workplace Relations Act. As such, it provided the outcome, which was an orderly system of industrial relations. This government needs to be reminded that that was the outcome. It was a bargain that was struck many years ago, at the turn of the century, when unions were capable of being registered and capable of submitting to an accountability regime. It was provided for in the 1904 federal act, which has followed through to this day.

Ostensibly, this bill consolidates a lot of those provisions and amends some of them in a technical way and provides a schedule to the Workplace Relations Act. It is worth pointing out that that was a trade-off which ensured that unions were accountable and the system of industrial relations would be orderly and provide benefits to both unions and their members and ultimately improve wages and conditions in the workplace. Bargaining would ensure improved productivity for employers as well.

The system we have now, which is predicated on an enterprise bargaining system, ensures that. This government fails to recognise that that bargain has continued; it was a good bargain and it has stood us in good stead. This government has continued to attack unions and attack the system of industrial relations because it does not like them. It seems it has sponsored the employers to do it. Employers have echoed this mantra that they do not want a third party involved in the bargain, and they claim that unions are a third party. Unions are an integral part of the bargain process—they always have been.

Employers have not lived up to their side of the bargain either. When you look at the corporate governance that they have effected in Australia, it is poor. The corporate governance of those companies is shocking, to say the least, when you compare it with the ability of unions to be held accountable, to be democratically controlled and to meet the expectation of their members.

A press release states that, in a speech given by Mr McClelland to the ACT Industrial Relations Society—a very good society—he pointed out that only 46 per cent of non-union agreements provided for employee consultation compared with 77 per cent of union agreements. We find that 20 per cent of non-union agreements provided for employee representation compared with 81 per cent of union agreements. In summary, he said:

In short, under the non-union agreements advocated by the Howard Government, employees are much less likely to be consulted about important decisions affecting a business.

At worst, lack of consultation through an effectively functioning collective bargaining system is a recipe for ongoing industrial strife.

The employers have not lived up to their side of the bargain. They have not sponsored con-
sultative approach to industrial relations; they have left themselves open to a system of industrial strife rather than a system of industrial harmony.

I want to highlight a couple of matters in the bill. A number of these go to an issue that has been reflected in clause 147: ‘Model rules for conduct of elections’. And I suspect the Liberal Party in Queensland might like to pick that up as well to see if they can add a bit of corporate governance to their system of electing members to parliament—we await the results of one election to see who will be the next senator from Queensland. What I really wanted to talk about was that the issue of model rules themselves has been around the industrial traps as far back as I can remember. It was a matter that was raised by the certifying barrister in Queensland in relation to the rules of industrial organisations back in the early 1990s. I can say that it will be an improvement to the system if they get it right.

In Queensland, the model rules were proposed and, as I recall, they were was raised during the Hanger inquiry into industrial relations in about 1989. That is from memory, so I am open to correction on that. That matter fell by the wayside after a while, but it has been reinvigorated in the Queensland system. At least the model rules for the conduct of elections are much, it seems, in the same form. But the difference here seems to be that this provides for the issue of guidelines setting out model rules for the conduct of organisations’ elections. If they can get this matter right and if they can turn their minds to ensuring that there are model rules available, then it is a shorthand way of ensuring that organisations can pick up those rules, have them in their rule book and ensure that they comply with the relevant legislation. That is a good idea and it seems that it was probably pinched from Queensland anyway, so I am not going to grant the benefit to the drafters of this legislation; it was one that they picked up.

It seems that Queensland might have promoted it first and that this federal government has followed suit. In support of this particular provision I can say that it has had a long history. It was considered in Queensland and I would certainly draw it to the Senate’s attention as a good improvement to the system. It does allow the system to sometimes short-circuit the long process of coming up with rules and spending money on drafting rules, given that model rules have already been prepared. So I would recommend this particular clause, one that this government should at least do some more work on to ensure that it works. (Time expired)

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.25 p.m.)—I suppose you almost have to be a union member to be qualified to speak in this debate on the Workplace Relations Amendment (Registration and Accountability of Organisations) Bill 2002 and related bill, so my credentials as a former member of the BLF, although under duress, probably qualify me on this point. I would just like to make a few passing comments. During the contributions made, I was struck by how so many people on the other side seem to feel an absolute obligation to defend the union movement, right or wrong, and the extent to which in canvassing the Cole inquiry there was not even a hint that there was any untoward activity in the construction sector, which I would have thought was a classic case of burying your head in the sand. The other comment I would make is that, to the constant defence that somehow there are too many lawyers or a surfeit of lawyers here, there are degrees of lawyers—not there, Mr Acting Deputy President Brandis?—starting with barristers and working down, but that the great virtue about the law is that it gives you a very broad experience of life.

The ACTING DEPUTY PRESIDENT (Senator Brandis)—That is quite right, Senator Alston.

Senator ALSTON—In fact, we would probably regard ourselves as small business people more than anything else. We do not come in here and spend the rest of our parliamentary time defending the legal system or the law society, yet on the other side we seem to have something like 25 absolute world champion experts on every piece of
minutiae about the union movement and industrial relations. Fine, we need a few people with those skills, but not to have virtually the entire other side of the chamber all experts in one shape or form on a subject that is part and parcel of the Australian political fabric but is not the be-all and end-all. So all I say to you is that you are very narrow while we regard ourselves as very broad, and no doubt the debate will continue indefinitely along those lines.

I acknowledge also this is a historic moment, and we very much appreciate the support that the opposition gives to this legislation. I think Senator George Campbell, in his typically lazy manner, had not even bothered to read it and came in here absolutely shocked and horrified to think that his colleagues had let him down to the point where they were actually saying yes. So I took that as very grumpy support, but the rest of it, I think, was pretty constructive and I would certainly acknowledge that there have been some sensible contributions to the debate.

Senator Mackay—You are in for a long committee stage now. You’ve just got yourself a long committee stage.

Senator ALSTON—I hope not. I do not know what we will be debating. I do not think there are any amendments—or are there?

Senator Ludwig—We’re all going to hang out for them now.

Senator ALSTON—Oh, dear. I was about to say that these bills are largely housekeeping or technical in nature. I hope they remain that way. The detail certainly reflects the government’s broader policies in relation to workplace relations frameworks—so, again, we are very grateful for the support. Given the dramatic reform to the workplace relations system over the last decade, it is appropriate that the technical rules governing the registration and internal administration of registered organisations should be modernised to reflect the new requirements of the system. Amendments under the Hawke Labor government in 1988 were the last significant amendments to these statutory provisions. Indeed, some of the current regulatory provisions have remained unaltered for decades.

I think the key provisions of the principal bill are well known. The government believes the bill is timely, focused and proportionate. The bill does contain sensible measures that are capable of increasing the confidence that members and potential members have in the administration of industrial associations. It implements the government’s commitment to modernise the regulation of employee and employer relations. The government did consult widely with unions and employer groups and accounting bodies in developing the bill. The consultative process included a discussion paper, an exposure draft bill and ongoing formal and informal meetings. The government has sought to address opposition concerns and the bill accordingly contains amendments accepted by the government when an earlier version of the bill was before the parliament last year. The government has also agreed to additional amendments to address issues raised by the opposition in the House of Representatives. The bill gives effect to the government’s commitment to provide greater choice and flexibility to registered organisations and their members.

Question agreed to.

Bills read a second time.

In Committee

Bills—by leave—taken as a whole.

Senator NETTLE (New South Wales) (6.30 p.m.)—I wanted to use the opportunity in the committee stage to ask the minister some questions particularly with regard to Suncorp Metway. In a range of second reading speeches we heard about their actions, which are clearly an abuse of the provisions of registering enterprise associations. When the commission rejected the application for registration of the enterprise staff association in 1999 it did so on the grounds that members, including the management committee, held shares in the enterprise. The commission rejected the argument put by the Finance Sector Union that the enterprise association was not free of control or improper influence of the enterprise on the grounds that the company was funding the operation
of the enterprise and providing substantial material assistance. Now that the government intends to remove the shareholding provision as a ground for rejecting an application for registration, can the minister say how the amending bill would capture a case such as that of Suncorp Metway where a company is attempting to establish a bogus union to which it is giving substantial financial and material support?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.32 p.m.)—There are a number of provisions to ensure that enterprise unions are independent and represent members effectively. The commission must not register an enterprise union unless it is satisfied that it is free from improper control or influence from an employer or other person with an interest in the enterprise or an employer or employee association. In addition, the commission must be satisfied that a majority of employees who are eligible to join support the registration, and the registration must further the objects of the act to represent, and accountable to, members and to operate effectively and be democratically subject to member control.

Senator NETTLE (New South Wales) (6.33 p.m.)—I recognise that it is useful for employers to provide minor material assistance to unions and their workplace delegates, but I am concerned that proposed section 20(1B), directs the commission to have regard to the provision of financial and other support but it provides no guidance as to what should be the test or the threshold that should be applied. I am wondering whether the government can give us an idea of what they envisage might be an appropriate test or threshold in this instance.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.34 p.m.)—Proposed section 20(1B), under ‘Criteria for registration of enterprise associations’, says:

... if an employer meets or will meet costs and expenses of the association, or provides or will provide services to the association, this assistance must be taken into account when considering whether the association is free from control by, or improper influence from the employer. I do not know that you can microdefine the myriad circumstances that might arise that would require the application of that proposed section but, clearly, it is not beyond the wit of the commission to do that in such a way as to further the objects of the act.

The clause was inserted at the instigation of the opposition. It is designed to ensure that the commission must consider whether the provision of funding or assistance by the employer to an enterprise association means that the employer has the capacity to control or improperly influence an association. So it is designed to prevent registration of an enterprise association that is merely the puppet of the employer. You cannot identify all possible permutations and combinations that might contravene that provision. You have to make a general judgment based on the facts and circumstances. I think its insertion in the bill is simply designed to ensure that the commission specifically takes those factors into account in deciding whether it is a genuine organisation.

Senator NETTLE (New South Wales) (6.36 p.m.)—The question is about recognising that there are circumstances where employers provide a room in which delegates can meet or provide a whiteboard or minor material assistance to the operations of delegates in a workplace. That is a very different situation from that of the example I gave before, Suncorp Metway, which is quite clearly an enterprise association. I am looking for some convincing argument that proposed section 20(1B) will allow the commission to use their discretion to differentiate between circumstances where an employer provides legitimate assistance for delegates doing their work in the workplace and, quite distinct from situations like Suncorp Metway, where you have an organisation funded entirely by the employer. That is what I am asking the minister to explain.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.37 p.m.)—By giving those two opposite extremes, Senator Nettle is simply making the point that this is a matter of degree. The commission therefore has to take into account the individual circumstances in making a judgment about the de-
gree of influence. Clearly, if the provision of costs and expenses is so significant that it effectively provides control or influence then you would say that was improper and that it is not an independent free body. If it is minimal support—a cup of tea and biscuits—then you would presumably say that it is at the other end of the scale and therefore you would not think there was any improper influence. The clause is designed to allow maximum flexibility to make judgments right across the spectrum.

Senator SHERRY (Tasmania) (6.38 p.m.)—Since the issue we are discussing—proposed section 20(1B)—was suggested and drafted by the Labor Party perhaps I could indicate the opposition’s point of view. I have talked about this issue in some detail not just with the adviser to the shadow minister who is in the other place but also with the ACTU. We are advised and they are confident that proposed section 20(1B) would meet the intentions of, certainly, the Labor Party and the trade union movement. We are confident that proposed section 20(1B), which is the new test to apply to 20(1)(b), would have the desired objective and that, given the facts in that case, Suncorp Metway would not pass the new test in proposed section 20(1B). We do not believe that it would in any reasonable interpretation by a commissioner examining the facts of the case before them.

The other point I would make about this matter is that we do have some guidance in the decision by former Vice-President McIntyre, albeit that the case was determined on a totally different point: shareholding. We do have some guidance as to the intention of parliament in the second reading speech given by the minister in the other place. I am not sure who gave the second reading speech in this place—whether it was Senator Alston or some other minister—but we do have some guidance in that area. We are as confident as we could reasonably be that proposed section 20(1B) would meet the desired goal. Certainly from a Labor Party point of view and from the ACTU’s point of view it is reasonably worded. To tighten it up any more would get us into the difficult areas that we discussed previously—the whiteboards, the tea and the bikkies, the coffee and those sorts of things. There has to be some level of discretion on the facts presented before the independent commission and the commissioner who is hearing the matter. For that reason, the Labor Party is satisfied and happy with the legislation and we will be supporting it. I must say it is particularly rare that Senator Alston and I do agree—on these issues anyway.

Senator Alston—It is a historic moment, Nick.

Senator SHERRY—Yes, it is a very historic moment. From the Labor Party’s point of view we are certainly more than satisfied with the provision that we are considering.

Senator NETTLE (New South Wales) (6.41 p.m.)—I ask the Minister for Communications, Information Technology and the Arts whether he is equally satisfied that the example I gave—Suncorp Metway—and proposed section 20(1B) allow for that discretion to be used by the commission to make their determinations in the way we anticipate that they would be made.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.42 p.m.)—As I am not familiar with the Suncorp Metway case I obviously cannot draw on it. From what I hear and from what I am advised, that case is very much at the far end of the spectrum. If you regard that as a classic example of improper influence then this proposed section is designed to pick up every degree of influence and to appropriately disregard matters where you would not expect a minimal level of influence to be significant. If the provision of services or costs and expenses involved round-the-world trips every couple of months then you would say, ‘Is something going on here?’ If it involved a taxi fare on one occasion you would say, ‘That is an act of occasional generosity.’ You simply need to have a provision that allows that judgment to be made in each instance. If the Suncorp Metway case is an egregious example then clearly that is one that is going to be ruled out by applying that test.

The CHAIRMAN—Order! I draw the attention of the chamber to the presence of
former Senator Crowley, who has joined us in the advisers box. Welcome, former Senator Crowley.

Senator NETTLE (New South Wales) (6.43 p.m.)—I would like to thank the minister for his clarification on that issue.

Bills agreed to.

Bills reported without amendment; report adopted.

Third Reading

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.44 p.m.)—I move:

That these bills be now read a third time.

Question agreed to.

Bills read a third time.

RESEARCH AGENCIES LEGISLATION AMENDMENT BILL 2002

Second Reading

Debate resumed from 19 August, on motion by Senator Patterson:

That this bill be now read a second time.

Senator SHERRY (Tasmania) (6.45 p.m.)—I rise to speak on the Research Agencies Legislation Amendment Bill 2002. I know I cannot do justice to the topic of research in the same way that my colleague Senator Carr, who is our shadow minister in this area, can. My knowledge of research and development was particularly honed by my experience some years ago with research and development in the primary industries area when I was Parliamentary Secretary to the Minister for Primary Industries and Energy. As we are talking about research and development, I will highlight, in respect of its relevance to this bill, the importance of research and development in the primary industries area.

Australia is very fortunate to have such a range of primary industries in this country. When we talk about primary industries, we can range quite widely to cover areas such as wool, wheat, various horticultural areas, the wine industry, apples, pears and oranges—in short, a wide range of agricultural activities in this country. We have research and development bodies or corporations—they vary in their titles—where a levy system is applied to the industry and the industry provides a level of self-funded assistance through the levy system for research and development purposes. These research and development levies are matched by government grants. With regard to government grants—I have not kept up with this area as much as Senator Carr has—the level of government assistance matching that from industry does vary. I think it is a great example of a cooperative model in the primary industries area.

To expand more fully on the importance of research, I will call my esteemed colleague Senator Carr, who has just entered the chamber. I know that his more up-to-date knowledge is something that he wants to inform the Senate about in the minute and 25 seconds remaining to us. I do not want to deny Senator Carr the opportunity of compacting a 20-minute speech into one minute and 10 seconds, so I will conclude my remarks there.

Senator CARR (Victoria) (6.48 p.m.)—Tomorrow, when we return to the Research Agencies Legislation Amendment Bill 2002, I want to make a more substantive contribution, so I will be in continuation at that point. The Labor Party will be supporting this legislation. However, there will be a second reading amendment and we have some serious concerns that we will need to pick up on in the committee stages of the bill, which I am sure the officers who are here tonight will be only too pleased to hear!

We have had a Senate inquiry into this matter. There are some significant issues in regard to the commercialisation of research within these particular research agencies. This bill seeks to free up the capacity of these research agencies to undertake contractual work without ministerial approval. This raises some issues in regard to the level of risk that our research agencies will be exposed to, and it raises some questions about the impact of the commercialisation strategies that are being pursued by the management of these research agencies. I will go into these matters in further detail later. I also have some concerns about the protections regarding probity and governance.

Debate interrupted.
The ACTING DEPUTY PRESIDENT (Senator Brandis)—Order! It being 6.50 p.m., we now move to consideration of government documents.

DOCUMENTS
Australian Customs Service
Annual Report 2001-02

Senator SANDY MACDONALD (New South Wales) (6.50 p.m.)—I move:

That the Senate take note of the document.

The annual report of the Australian Customs Service is an important report because the government has increased the budget allocation substantially to customs and quarantine services over the last couple of years. The government recognises the importance to the community of protecting Australia’s natural environment and rural industries. Effective quarantine is essential to achieving these objectives. The government has been on the front foot on quarantine because it is so crucial to protecting Australia’s important agricultural industries and our unique environment. Under this government, the quarantine system has received an unprecedented level of funding, with the aim of delivering the strongest possible protection for Australia.

In the 2001-02 federal budget, the government announced a record package of nearly $600 million to substantially increase Australia’s border control arrangements. Under this package, quarantine border intervention rates have been increased to more than 80 per cent at airports and 100 per cent at other border entry points, including inspection of all incoming international vessels and external examination of all cargo containers. The budget also provided Customs with additional funding for an increase in customs work arising as a result of the increased quarantine intervention measures following the outbreak of foot-and-mouth disease in the United Kingdom and Europe. I do not think that any of us who have travelled overseas in the last 12 or 18 months have not noticed that increased evidence of intervention.

Customs increased quarantine intervention initiatives include the X-ray of almost all passenger baggage, international mail and high-volume, low-value air cargo not selected for other forms of examination or assessment. Customs, in conjunction with other stakeholders, participated in the redevelopment of infrastructure at international airports to accommodate the increased use of X-ray equipment and changes to passenger flow within the secondary examination areas. Since the injection of this extra funding, AQIS is now screening more passengers than ever before. As I said, all arriving passengers will be screened and in most cases their baggage will be examined or X-rayed.

Over the past year, AQIS has recruited 1,200 extra staff and 34 more detector dog teams and has installed 48 new X-ray machines at airports across the nation. The additional funding has provided for a threefold increase in the presence of AQIS officers at airports and triples the number of X-ray machines in operation. Quarantine seizures at airports have increased by 232 per cent during the 2001 December quarter compared to the December quarter in the year 2000, which is a very substantial increase. It is interesting that on-the-spot fines increased by over 170 per cent over the same period. In February 2002, on-the-spot fines for travellers failing to declare items of quarantine concern doubled to $220 and, under new laws introduced by the government this year, more serious breaches can be punished with jail terms and fines of up to $220,000 for individuals. There is a lot of community support for these initiatives. We have a unique environment and we have some advantages, being an island nation. We can control our borders and quarantine and customs arrangements more effectively than a lot of other countries, but it requires money and initiative.

To conclude, the coalition government is committed to maintaining Australia’s reputation as a clean and green supplier of high quality agriculture produce as well as protecting our native species from exotic diseases. The government is also committed to boosting Australia’s quarantine system and providing the resources necessary to adequately protect our multibillion dollar agricultural, fishing and forestry industries and our environment. I commend the report to the Senate.

Question agreed to.
Repatriation Medical Authority

Senator MARK BISHOP (Western Australia) (6.56 p.m.)—I move:

That the Senate take note of the document.

For the information of the Senate, the RMA has its origins in the recommendations of a review of veterans’ compensation conducted by former senator, now professor, Peter Baume, in March 1994, commissioned by the then minister in this place, Senator John Faulkner, the current Leader of the Opposition in the Senate. The Senate will know that veterans’ compensation is a complex and often vexed issue. Much of the difficulty arises from a combination of the difficulty of accepting claimed war-caused injury or disease in the absence of acceptable and authoritatively established medical science, and the traditional benefit of the doubt extended to cover veterans’ claims. Until 1994 this had been an area of much contention and litigation and, therefore, a cause of much bitterness between veterans and government.

The purpose of establishing the RMA, therefore, was to introduce authoritative medical science with standards for the acceptance of claims where a hypothetical linkage needed to be established between service and the injury or the illness. The RMA has now in place statements of principles covering 90 per cent of claims made. The annual report updates the parliament on the status of its work for the year, including new statements, revised statements and the current position of reviews conducted by the specialist medical review authority.

It is quite clear to me, arising from my fairly extensive consultation with the veteran community this year, that the RMA, since being created in 1994-95, has been an outstanding success. While it is unique to the veteran jurisdiction, it is clearly perceived as being truly expert and professional and as having brought to the compensation business a high level of consistency and fairness in the decision making process. It has removed the guesswork, the suspicion and indeed the speculative attempts by non-experts, and it has substituted them with a system which is predictable and transparent but, above all, one which is now trusted and greatly respected. My compliments therefore go to the RMA, to its chairman, Professor Donald, and to his team for having brought about this transformation from a scene which I understand to have been one of great tension and mistrust.

Before I close, I would like to mention that the RMA has also been requested by the government to examine two difficult issues: the Gulf War syndrome and multichemical sensitivity, MCS, upon which I made some comments earlier today. No finding has been expressed on the Gulf War syndrome pending the completion of the DVA health study. The RMA has concluded that MCS does not exist as a medically accepted disease as defined in the Veterans’ Entitlement Act. The findings of the RMA in response to the government’s requests are not the end of the matter, however, simply because the tasks they were given are, strictly speaking, outside their bailiwick.

The elements which make up the Gulf War syndrome are subject to a large amount of research in the USA and the United Kingdom, and it is a Defence and DVA responsibility to participate in that to ensure that Australian interests are covered and protected. Similarly, on MCS there seems to have been little done at all to bring together the research in such a way that those who believe they suffer illness from their exposure to combinations of chemicals can have any confidence that their fears are being taken seriously. I commend the report to the Senate.

Question agreed to.

Consideration

Australian Postal Corporation (Australia Post)—Equal employment opportunity program—Report for 2001-02. Motion to take note of document moved by Senator Mackay. Debate adjourned till Thursday at general business, Senator Mackay in continuation.

Telstra Corporation Limited—Report for 2001-02, including annual review. Motion to take note of document moved by Senator Mackay. Debate adjourned till Thursday at general business, Senator Mackay in continuation.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Brandis)—Order! There being no
further consideration of government documents, I propose the question:

That the Senate do now adjourn.

Victoria: Kennett Government

Senator MARSHALL (Victoria) (7.01 p.m.)—I rise this evening having been inspired by the speech that my Victorian colleague Senator Tchen delivered during the last parliamentary sitting fortnight on the issue of the Victorian Federation Square project. I would just like to commence my comments with a quote from that speech delivered on 25 September. Senator Tchen said:

When the Bracks government won office in October 1999, they inherited a state with not only a strong and robust economy but also a series of major projects that would enhance the state’s physical infrastructure and sustain the people’s pride and vision for their community.

This quote is simply an extension of the spin and illusion that so characterised the Kennett experiment on Victorians. It is funny that Senator Tchen used major projects as the basis for his comparative critique of the Kennett and Bracks governments. As Senator Tchen would be aware, major projects and building works under the Kennett government occurred on relatively the same basis as most service provision did during that era—almost wholly concentrated in the urban and city areas, neglecting rural or country people and their communities. In fact, all of the $2.1 billion worth of projects under the direction of the Kennett Office of Major Projects were within the metro Melbourne area. Rural and regional Victoria, despite comprising a third of the state’s population in 1998 under the Kennett government, accounted for only 18.8 per cent of building activity in Victoria, while Melbourne got 81.2 per cent. Public spending on building in rural Victoria comprised less than 14 per cent or $37 million of the total, compared to Melbourne, which received $268 million.

Rural and regional Victoria, including Geelong, received just 10 per cent of commercial building investment, 16 per cent of new retail building investment and only 21 per cent of new industrial building investment in 1998-99. For Senator Tchen to champion the major events and building priorities of the Kennett government as the basis of its supposed good governance is a highly ignorant recollection of events. What Senator Tchen failed to mention is that when the Bracks Government came to power in October 1999 Victoria’s basic services—schools, hospitals and community services—had been run down to crisis point.

In education, more than 350 state schools were closed, 9,000 teachers had been removed from schools, student-teacher ratios were higher than the national average, class sizes were nearly the highest in Australia and retention rates were amongst the lowest. In fact, retention rates to year 12 dropped from 77.9 per cent to 69.1 per cent in the public system. Male participation dropped to a rate of only 61.3 per cent. Victoria spent less per student than any other state. In fact, the overall level of spending on education was four per cent lower than the Commonwealth Grants Commission average. Funding of TAFE training had been slashed and was the lowest in Australia, and traditional apprenticeship commencements had declined despite skill shortages. In 1999 all TAFE institutes faced a real cut of seven per cent.

In health, 3,500 nurses and a further 6,500 staff had been retrenched from the Victorian hospital system. Some $900 million had been taken out of hospitals’ budgets and 1,400 hospital beds were closed. This was in spite of the fact that there was an ever-increasing list of sick Victorians waiting to get into Victorian hospitals. A total of 12 hospitals had been closed and capital works spending on hospitals was cut by 40 per cent in real terms. The La Trobe Valley and Mildura hospitals had been privatised, and plans were made to sell the Austin and Repatriation Medical Centre. Nursing home beds all around Victoria were privatised and 40 per cent of state owned nursing homes did not meet Commonwealth standards. Forty-three maternal and child health centres were closed. Limits were applied to access to maternal and child-care nurses, directly depriving new mothers and newborn children of the vital support needed during this time. Victoria also spent less on drug and alcohol services than New South Wales, Western Australia, the ACT and the Northern Territory, and the Victorian ambulance system was in com-
plete disarray. Response times had increased and there was chaos in the dispatch system of the private company Intergraph.

Under the Kennett government, waiting times for public housing blew out, with 66.9 per cent of people waiting for longer than two years and 37.5 per cent waiting more than four years for homes to live in. Public housing stock was sold off and the total level of public housing was reduced. Funding on housing fell from $32 per capita to $10. A total of $24.5 million was cut from funding to public housing in 1998-99. Victoria had the highest level of homelessness in the country in 1997-98 and it grew by 6.5 per cent that year.

Support for a multicultural Victoria was abandoned. The Office of Multicultural Affairs and the Bureau of Immigration, Multicultural and Population Research were abolished and the budget for multicultural affairs was reduced by 19 per cent. The concessional family category was abolished and the aged parents category was cut and capped, denying reunions for many families. Language other than English programs were starved of funds and staff.

Rural Victoria was left to fend for itself. Twenty-eight per cent of funding, or $8 million, was slashed from country ambulance services; 178 country schools were closed; and six passenger country train lines were shut down, making transport between regional centres more difficult and more expensive—further isolating country people in Victoria. Country Victorians streamed to Melbourne in search of elusive jobs for themselves and for their children. Some 17,500 full-time jobs were lost in country areas over the last year of the Kennett government, and youth unemployment in some regions of Victoria exceeded 50 per cent. Police were leaving the Victorian police service in droves, and recruitment was not sufficient to maintain the force at a viable level to ensure safety and law and order in the community.

Important independent statutory office holders like the Auditor-General and the Director of Public Prosecutions saw their powers reduced and their independence undermined. There was a political culture that excluded community views and stifled public debate. Government planning processes were stacked in favour of developers, and public input was devalued. Waste dumps processes were stacked in favour of developers, and public input was devalued. Waste dumps in Werribee and Niddrie were planned despite community concerns. This leads me to the Kennett government’s appalling record with regard to the environment.

Legislation was passed to allow mining in the Grampians National Park and a mining exploration lease was renewed before passing legislation to create the Chiltern Box-Ironbark National Park. Commercial developments in national parks were planned to proceed without proper environmental studies or consultation. For example, a large area of the Alpine National Park at Mt McKay was excised and given to the Falls Creek Ski Resort to develop ski runs, without any environmental effects statement. Victoria was the only state that did not produce a state of the environment report. The Victorian Plantation Corporation was sold off, including over 20,000 hectares of native forests as part of the sale. The Kennett government failed to improve the quality of our rivers and catchments, and proposed to restore only 15 per cent of water flow to the Snowy River.

Industrial relations and WorkCover under the Kennett government were atrocious. All state industrial awards and the state industrial relations system were abolished. After 13 weeks off work, sick or injured workers had the lowest benefits in Australia. Victoria had the worst system of workers’ compensation in Australia. The common law right of seriously injured workers to sue negligent employers was abolished. Workers were banned from suing negligent or drunk drivers who had caused them serious injury in the course of the worker’s employment, and workers were also banned from suing the manufacturers of defective equipment that caused serious injury. Legislation was passed that meant that, to qualify for the maximum benefit under the Kennett scheme, you had to be a quadriplegic or medically brain dead.

The impact of the Kennett experiment on Victoria has had far reaching consequences. This makes the achievement of the Bracks government in starting to overturn the most disastrous impacts of this legacy in just three
years even more remarkable than it is. *(Time expired)*

**Senate adjourned at 7.11 p.m.**

**DOCUMENTS**

**Tabling**

The following government documents were tabled:

- Australian Postal Corporation (Australia Post)—Equal employment opportunity program—Report for 2001-02.
- Australian Customs Service—Report for 2001-02.
- Department of Transport and Regional Services—Report for 2001-02.
- Final budget outcome 2001-02—Report by the Treasurer (Mr Costello) and the Minister for Finance and Administration (Senator Minchin), September 2002.
- Joint Coal Board—Report for the period 1 July to 31 December 2001. [Final]
- Repatriation Medical Authority—Report for 2001-02.
- Telstra Corporation Limited—Report for 2001-02, including annual review.

The following documents were tabled by the Clerk:

- Privacy Act—Determinations under section 72—Public Interest Determinations Nos 9 and 9A.

**Departmental and Agency Contracts**

The following document was 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—Communications, Information Technology and the Arts portfolio agencies—Department of Communications, Information Technology and the Arts, National Archives of Australia and National Office for the Information Economy.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Trade: Iraq

(Question No. 535)

Senator O’Brien asked the Minister representing the Minister for Foreign Affairs, upon notice, on 15 August 2002:

What action, if any, has the Minister or the department taken to protect or increase Australian wheat sales to Iraq in the 2002-03 financial year.

Senator Hill—The Minister for Foreign Affairs has provided the following answer to the honourable senator’s question:

The answer to this question has been given in response to (4) of Question No. 537.

Building and Construction Industry Interim Taskforce

(Question No. 578)

Senator Sherry asked the Minister representing the Minister for Employment and Workplace Relations, upon notice, on 27 August 2002:

With reference to the Building and Construction Industry Interim Taskforce announced by the Government on 20 August 2002:

(1) Will the taskforce have a written charter or mission; if so, what will it be.

(2) Apart from law enforcement, will the taskforce be concerned with productivity and general industrial relations issues.

(3) How is the success or performance of the taskforce to be measured (eg. The number of prosecutions, improved performance and productivity in the industry, etc).

(4) Will the taskforce consult with industry (eg. employers, unions, etc).

(5) What is the estimated cost of the interim taskforce in each of the following financial years: (a) 2002-03; and (b) 2003-04.

(6) How much of this cost will be met by: (a) the department; (b) current departmental appropriations; and (c) additional appropriations.

(7) How much of this cost will be met by the following departments and agencies:

(a) the Attorney-General’s Department;
(b) the Australian Federal Police;
(c) the Australian Taxation Office;
(d) the Australian Competition and Consumer Commission;
(e) the National Occupational Health and Safety Commission;
(f) the Office of the Employment Advocate; and
(g) any other Commonwealth or state department or agency.

(8) Will any funds budgeted for the Royal Commission into the Building and Construction Industry be re-allocated to meet the cost of the interim taskforce.

(9) If funds and resources are to be diverted within relevant departments and agencies to meet the operational and establishment requirements of the taskforce, from which areas in each of the departments and agencies will funds and resources be diverted.

(10) (a) How many full-time staff will the taskforce employ; and
(b) how many part-time staff will the taskforce employ.

(11) (a) Which departments and agencies will make staff available to the interim taskforce; and (b) how many staff from each department and agency will be seconded to the taskforce.

(12) (a) How many staff who have worked for the Royal Commission into the Building and Construction Industry will work for the interim taskforce; and (b) what proportion of the taskforce’s staff does this represent.
(13) (a) Which Commonwealth laws will the interim taskforce be responsible for enforcing; and (b) which laws are excluded from the brief of the interim taskforce.

(14) (a) Will the taskforce seek the cooperation of state and territory departments and agencies; if so, which ones; and (b) how will the taskforce deal with issues that arise under state or territory law (eg. Occupational health and safety).

Senator Alston—The Minister for Employment and Workplace Relations has provided the following answer to the honourable senator’s question:

(1) The charter and mission statement will be a matter for the Head of the Interim Taskforce to settle once appointed, although the Taskforce’s fundamental job, to ensure the rule of law in the construction industry, has been set out in the Government’s statement to Parliament.

(2) The Interim Taskforce’s primary responsibility is to secure lawful conduct throughout the industry.

(3) The performance of the Interim Taskforce will be measured by the extent of improvement in the conduct and practices occurring on building sites and better workplace relations outcomes in the industry.

(4) Yes.

(5) The estimated cost is $6.5 million until 30 June 2003. No allocation has been made for the 2003-04 financial year.

(6) The estimated $6.5 million is being provided through an additional appropriation.

(7) See the answer to question 6.

(8) No.

(9) See answer to question 6.

(10) The staffing arrangements for the Interim Taskforce are yet to be finalised but it is expected that some 25 people will be engaged by the taskforce.

(11) The staffing arrangements for the Interim Taskforce are yet to be finalised.

(12) The staffing arrangements for the Interim Taskforce are yet to be finalised.

(13) The Workplace Relations Act 1996. Breach of other laws will be referred to appropriate agencies.

(14) The Interim Taskforce, upon becoming aware of an alleged or possible breach of a State or territory law, will refer the matter to the relevant State or territory agency.

Foreign Affairs and Trade: Superannuation
(Question No. 606)

Senator Sherry asked the Minister for Trade, upon notice, on 30 August 2002:

(1) For each department within the Minister’s portfolio, how is superannuation calculated (ie. is the superannuation entitlement calculated on base salary and other income payments, such as overtime allowance or performance bonuses, or on base salary alone).

(2) If the department calculates superannuation on a broader basis, by incorporating all income payments in the calculation of superannuation entitlements, but allows employees to opt out of this arrangement so as to reduce the base upon which superannuation is calculated, what proportion of employees do this.

Mr Vaile—Please see the response to Question No. 609, provided by the Minister for Foreign Affairs on behalf of the portfolio.

Foreign Affairs and Trade: Superannuation
(Question No. 609)

Senator Sherry asked the Minister for Foreign Affairs, upon notice, on 30 August 2002:

(1) For each department within the Minister’s portfolio, how is superannuation calculated (ie. is the superannuation entitlement calculated on base salary and other income payments, such as overtime allowance or performance bonuses, or on base salary alone).

(2) If the department calculates superannuation on a broader basis, by incorporating all income payments in the calculation of superannuation entitlements, but allows employees to opt out of this ar-
rangement so as to reduce the base upon which superannuation is calculated, what proportion of employees do this.

Mr Downer—On behalf of the Minister for Trade and myself as Minister for Foreign Affairs, following are the answers to the honourable senator’s question:

(1) All employees of the Department of Foreign Affairs and Trade are either members of the Commonwealth Superannuation Scheme, (CSS), or the Public Sector Superannuation Scheme, (PSS), or receive Superannuation Guarantee equivalent benefits through arrangements under the Superannuation (Productivity Benefit) Act 1988. The salary regulations and rules of the CSS and PSS specify what allowances and in what circumstances they are included for superannuation purposes.

(2) Not applicable.

Health: Creutzfeldt-Jakob Disease
(Question No. 627)

Senator Greig asked the Minister for Health and Ageing, upon notice, on 12 September 2002:

(1) (a) Is the Minister aware of a Dutch report regarding a man who developed Creutzfeldt-Jakob disease (CJD) 38 years after receiving human derived growth hormone (hGH); and (b) given that the 47 year old Dutch man who died from iatrogenic CJD 38 years after treatment, was given only low dose of hGH as part of a diagnostic procedure rather than being given full treatment: does the Minister intend any further action warning Australians who were given low doses of hGH.

(2) With reference to the fact that, when this patient was 9 years old, a nitrogen retention test with 6 IU hGH was performed to exclude growth hormone deficiency: Does the department know which batches or batch numbers were used during these ‘diagnostic’ tests.

(3) (a) Is the Minister aware that the authors of the journal paper (J Neurol Neurosurg Psychiatry 2002; 72: 792-793) reporting on this case concluded: ‘This case indicates that still more patients with iatrogenic CJD can be expected in the coming years. Another implication of our study is that CJD can develop even after a single low dose of human growth hormone’; and (b) given this, to what extent was the diagnostic use of hGH considered.

(4) With reference to the statement in the journal paper that, ‘If low doses presented a risk I would have thought that other cases would have come to light before now’. Given that this deceased patient is believed to be the first treated with ‘diagnostic hGH’: (a) is the department expecting other cases of iatrogenic CJD in the coming years; (b) what advice has the Minister been given on this matter; (c) what action does the department intend to take to deal with the increase in CJD cases; (d) will all unofficial patients who were treated with ‘diagnostic infusions’ of hGH during GH stimulation tests be notified of this new risk; and (e) what, if any, action does the Government intend for people who are expected to suffer iatrogenic CJD through the diagnostic test who are now confirmed ‘at risk’.

(5) Were all children treated in clinical trials registered with the department at the time of their treatment with hGH.

(6) How many low dose ‘one-off infusion’ recipients of hGH, as part of a diagnostic procedure, were involved.

(7) What is the Government doing to track the missing 5 per cent of the hGH recipients.

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

(1) (a) Yes. The article has been brought to my attention.

(b) At this stage I do not intend any further action warning Australians who were given low doses of human Growth Hormone (hGH) as a diagnostic test.

(2) It is unlikely that the batch numbers were recorded for every diagnostic procedure using hGH.

(3) (a) Yes.

(b) The Australian National CJD Case Registry did not record any new iatrogenic cases of CJD during the period January 2002 to June 2002. There is little evidence of an increase in the number of iatrogenic cases due to hGH treatment. The Inquiry into the Use of Pituitary De-
rived Hormones in Australia and Creutzfeldt-Jakob Disease ("The Inquiry") did report on diagnostic uses of hGH and the diagnostic use of hGH was considered during The Inquiry.

(4) (a) The Australian National CJD Case Registry did not record any new iatrogenic cases of CJD during the period Jan 2002 to June 2002. There is little evidence of an increase in the number of iatrogenic cases due to hGH treatment. Given that the use of hGH for diagnostic purposes in Australia is small, the number of potential cases that may occur in the coming years is expected to be very low.

(b) My Office is advised on all relevant matters relating to hGH and CJD Programs.

(c) The number of iatrogenic cases in Australia as a result of hGH therapy is one, suggesting that this group is at 'low risk' for developing CJD. There is little evidence of an increase in the number of iatrogenic cases, due to hGH treatment. The article has been referred to the members of the National Health and Medical Research Council’s Special Expert Committee on Transmissible Spongiform Encephalopathies.

(d) The “Diagnostic infusion” of hGH for nitrogen retention testing (referred to in Australia as ‘Stage III acute metabolic testing’) was discussed during the The Inquiry, though the Department does not hold records of its use in Australia. Such records will be kept at the specialist centres (eg. the Children’s Hospital in Melbourne and Sydney) in which the test was carried out.

(e) The number of people in Australia expected to develop iatrogenic CJD through the use of the diagnostic test is likely to be small. The supportive mechanisms in place for the monitoring, care and treatment of iatrogenic cases of CJD can be used in the unlikely event of a case in Australia following diagnostic hGH use.

(5) Ninety-four per cent of patients treated with hGH were registered with the Department at the time of their treatment with hGH, by virtue of being treated under the Australian Human Pituitary Hormone Program (AHPHP). The AHPHP was not a clinical trial.

(6) The Inquiry indicates that 50 patients underwent acute metabolic testing. The use of hGH for diagnostic testing ceased in 1971 when the procedure was replaced by more reliable, cost effective tests to assess growth hormone deficiency.

(7) The Department of Health and Ageing has endeavoured since 1992 to trace recipients via the print and electronic media, through the Department of Immigration and Multicultural Affairs, the Health Insurance Commission, various statutory and private organisations and more recently through the Australian Electoral Commission. As a result of these efforts 94 per cent of all recipients of human-derived pituitary hormones in the Australian community have been traced and, where possible, counselled on their slight increased risk of contracting CJD. The former Minister for Health, Dr Michael Wooldridge approved the ceasing of tracing activities in May 2000.

Working Women’s Centres
(Question No. 633)

Senator Sherry asked the Minister representing the Minister for Employment and Workplace Relations, upon notice, on 17 September 2002:

(1) (a) Which Working Women’s Centres received Commonwealth funding in each financial year from 1995-96 to 2001-02; and (b) for each financial year, how much did each centre receive.

(2) (a) Which centres will receive Commonwealth funding in the 2002-03 financial year; and (b) how much will each receive.

(3) What are the criteria by which applications for funding are assessed.

(4) In relation to the 2002-03 financial year, have any applications for funding been refused in whole or in part; if so: (a) which ones; and (b) for what reasons.

Mr Abbott—The answers to the honourable senator’s question are as follows:

(1) (a) and (b) Refer to Attachment A.

(2) (a) and (b) Refer to Attachment A.

(3) Continuation of Commonwealth funding is decided each year taking into account the efficiency and effectiveness of each centre.

(4) No.
**Hunter Region: Industrial Disputes**

**Question No. 637**

**Senator Faulkner** asked the Minister representing the Minister for Employment and Workplace Relations, upon notice, on 18 September 2002:

Can the following details be provided for the years 1990 to 2001:

(a) the number of industrial disputes in the Hunter region as compared to the national average;
(b) the number of industrial disputes in the Hunter region compared to other similar regions in Australia;
(c) the days of industry stoppage due to industrial action in the Hunter region as compared to the national average; and
(d) the number of days of industry stoppage due to industrial action compared to other similar regions in Australia.

**Senator Alston**—The Minister for Employment and Workplace Relations has provided the following answer to the honourable Senator’s question:

The Australian Bureau of Statistics (ABS) collects data on industrial disputes at the State level. The ABS has advised that it does not collect industrial disputes data at the regional level and therefore holds no data on the Hunter region. The Department of Employment and Workplace Relations does not independently collect data on industrial disputes.

**Prime Minister and Cabinet: Staff Absences**

**Question No. 681**

**Senator Sherry** asked the Minister representing the Prime Minister, upon notice, on 24 September 2002:

For each month of the past 2 full calendar years, what are the figures for staff absent on stress leave in the Department of the Prime Minister and Cabinet.

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

I am advised that two employees of the department recorded absences due to stress during the calendar year 2001. Both employees were absent during March 2001.

There were no recorded absences due to stress in the calendar year 2000.

**West Papua: 2002 South Pacific Forum**

**Question No. 686**

**Senator Brown** asked the Minister representing the Minister for Foreign Affairs, upon notice, on 24 September 2002:

With reference to West Papua being refused observer status at the 2002 South Pacific Forum: Was there any correspondence relating to this matter between the Australian Government and the new Prime Minister of Papua New Guinea, Mr Michael Somare; if so, did Mr Somare support or oppose the refusal.

**Senator Hill**—The Minister for Foreign Affairs has provided the following answer to the honourable senator’s question:

No.